

REPORT ON WOMEN'S ACCESS TO FINANCIAL SERVICES IN ZAMBIA

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EXECUTIVE SUMMARY

This study on women's access to financial services in Zambia is a qualitative research study aimed at understanding gender usage and behaviour towards financial services in Zambia. It was commissioned by Financial Sector Deepening Zambia (FSDZ), who were also the majority funders, together with the Bank of Zambia and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the German Ministry for Economic Cooperation and Development (BMZ) under the umbrella of Making Finance Work for Africa. The study was carried out on behalf of New Faces New Voices by International Capital Corporation (ICC) in Mozambique.

The study aimed to understand gender usage behaviour towards financial services in Zambia by looking at:

- i. the usage (levels and trend);
- ii. the sources of usage (formal, semi-formal and informal);
- iii. products used (credit, savings, insurance, remittances, mobile banking and other transactions);
- iv. regional differences (rural vs urban, North/South/East/West);
- v. awareness versus understanding and perceptions;
- vi. drivers and constraints to access;
- vii. opportunities for increased financial inclusion; and
- viii. decision-making process and household dynamics effects on access to financial services.

To achieve these objectives, it was necessary to conduct a brief overview of the access to financial services in Zambia, highlighting the gender differences in access. The 2009 Finscope survey notes that 63% of Zambia's adult population is financially excluded. Exclusion is greater among adult women, of whom about 66% don't have access to financial services, compared to 59% of men. The landscape of access also differs between rural and urban areas, as rural areas have higher levels of exclusion (66%) compared to urban areas (58%). Moreover, Finscope 2009 found that informal channels play an important role in Zambia's financial inclusion, for both men and women.

The literature points to demand side barriers, such as gender norms, customs and culture, as well as supply side barriers such as accessibility, affordability and appropriateness, which may influence women's access. The gender division of labour and responsibilities within the household leaves women with less free time than men, as they are mainly responsible for chores, particularly care-giving and reproductive responsibilities. When women's agricultural activities are added in, there is precious little time for accessing financial services.

The literature review highlights a few discriminating practices against women under Zambian customary law - land ownership is gender-biased, negatively impacting women's ability to own property and ruining their ability to meet the collateral requirements of financial institutions.

On the supply side, Finscope 2009 found that a significant part of the population is deterred by accessibility barriers, for example, gaining physical access to financial services, because financial institutions are not widely distributed in Zambia. This is seen particularly in rural areas where 56% of the population takes more than an hour to reach the nearest financial institution, compared to the 85% in urban areas that takes less than 30 minutes.

Affordability is also mentioned in Finscope as a barrier – in nearly 20% of cases the reasons for not having an account are associated with high bank charges (5.3%) and the inability to maintain a minimum balance (14.3%). On the appropriateness of financial services to women's needs, it was seen that apart from the limited provision of products such as agricultural finance and microinsurance, which are aligned to women's economic activities, only one commercial bank – Indo Bank Zambia – provides a dedicated product for women: the self-help group (SHG) loan.

The literature review was followed by qualitative research among 41 women's groups and 19 men's groups, for a total of 60 focus groups. To achieve the study objectives and provide more useful information for regulators and policy-makers in the country, the research took into account gender as well as Zambian FinScope categories of income-generating activities.

These categories are:

- farmers;
- self-employed in business (hereafter denominated by business);
- salaried (both government and private sector workers); and
- those who do not receive income (hereafter denominated by domestic).

The regional scope was divided between urban and rural, comprising six districts - Chipata, Kapiri Mposhi, Kaputa, Lusaka, Livingstone and Solwezi. Annex 3 details the sample distribution and the methodology of the qualitative research.

This report highlights the main gender differences in usage patterns of financial services in Zambia, looking into the constraints and opportunities across the demand and supply of the financial sector. [Women's demand for financial services is found to be influenced by different though interrelated factors, such as decision-making processes in the home.](#) A woman's financial decision-making process within her household depends on her economic activities, particularly those that generate her income. While women have more decision-making power over money from farming, commerce, restaurants and livestock, men have more decision-making power over salaried work, transport, construction, piece work and livestock. Culture and religion contribute to joint decisions in a married couple's household. Men recognise that there are certain things that women do better, and therefore they should be involved in decisions regarding the use of the household income and the decision to use a financial service.

[In addition to decision-making processes within the household, women's demand for financial services is influenced and determined by life cycle, opportunistic, and emergency events.](#) On a household level, women's main life cycle events are the need to pay for their children's education and for rent, expenses relating to childbirth, planning for retirement and building a house. Opportunistic events are associated with business-related needs such as the need for capital and farming inputs. Women's most prominent emergency events are death and sickness, which cause a lot of financial pressure as they cannot postpone or refuse to deal with these issues. Apart from building a house, which was found to exert the same amount of financial pressure in both women's and men's lives, as it is usually part of the couple's planning and aspiration to family betterment, all other events exert different financial pressures on women and men.

To cope with their financial needs, women resort primarily to the use of informal financial mechanisms such as chilimba¹, kaloba², and friends and family. Although different events call for the use of different financial products, women use chilimba quite extensively, as it is easier to access and safer compared to kaloba. Though they find that kaloba carries the risk of losing family assets or physical assault in the case of repayment default, women use kaloba quite often.

The use of informal coping mechanisms varies across gender, economic activities, rural and urban areas, and geographic locations. About 46% of women use chilimba compared to 16% of men. Surprisingly, despite women's aversion to risk, they also dominate the use of kaloba and friends and family, with 37% and 41% respectively, compared to 26% and 16% of men. These three sources are used more in urban areas, than rural areas. From the economic activity standpoint, domestic women (56%) have the highest level of informal usage followed by salaried women (33%), business women (28%), and women farmers (25%).

From a geographic perspective, chilimba is mainly used in Lusaka and Livingstone while kaloba is used in Solwezi, Chipata and Kaputa, and family and friends in Solwezi and Kapiri Mposhi.

Women's use of formal financial providers is very low and limited to microfinance providers and banks. Despite the existence of six categories of financial providers in Zambia - banks, microfinance institutions (MFIs), savings and credit institutions, leasing companies, building societies, and insurance companies - only banks and MFIs are used by women. This indicates that despite this variety, there is a gap in service provision in terms of the use of specific providers as well as the use of specific services. Of the formal providers, consumer lenders (as part of MFIs) are the most used, catering mainly for salaried workers in the main urban cities.

In general, women use more financial services than men, formally and informally, with different geographic magnitudes. About 61% of the participating women use informal credit, compared to 21% who use formal credit, while 49% use informal savings compared to 20% who use formal savings.

Women also predominantly use formal credit and savings, with 21% and 20% of participants confirming usage of credit and savings respectively, compared to just 16% and 13% of the participating men. Women's higher access to formal credit is linked to their participation in group loans at MFIs, while men have more access to individual loans in banks. Moreover, about 46% of women's formal savings are accessed indirectly, via the use of a family member's bank account, for instance. Lusaka has the highest levels of formal savings and Livingstone the highest level of formal credit.

In terms of the usage patterns per type of economic activity, it was found that farming women lead the use of formal savings and credit. Farming women and business men lead the use of formal savings, at 33% and 27% respectively. At 44%, farming women are also the most frequent users of formal credit, and 21% of business women have had access to loans at MFIs, particularly consumer lenders.

The use of insurance products and transactions is exclusive to the formal sector. While very low usage of insurance is seen equally in rural and urban areas, transaction usage through automated teller machines (ATMs) and point of sale (POS) devices is reasonable and understandably higher in urban areas, where most of the financial infrastructure is concentrated. Rural formal savings is primarily used by men while rural credit is used by women.

Insurance is primarily used by farming men and business women while salaried and business women make the most use of transactions, mainly at ATMs, and domestic women use mobile money more. The latter's use of mobile money derives from the need to receive remittances from relatives. Additionally, it was found that 84% of participants use cash as a medium of exchange compared to 9% who use credit cards and 7% who use cheques.

Women face a variety of demand side barriers to access, including misperceptions, inadequate levels of financial literacy, low levels of income, and lack of confidence in the formal financial system. A significant portion of women believes that formal financial providers – particularly banks – are for salaried people and government workers, which may promote self-exclusion from non-salaried workers. Although women are significantly literate about financial sector terms, they are unfamiliar with the most common financial sector products such as current accounts and debit cards.

Also, most women admitted to not drawing up a budget at the household and business level, making it difficult for them to develop healthy financial behaviours. Some women claimed that the closure of Meridian Bank has deterred their use of banks, as they have become sceptical about depositing their money in a bank.

Supply side barriers are associated with accessibility, affordability and appropriateness. Such barriers are exacerbated by financial institutions' inability to report gender-disaggregated data. Location is one of the most mentioned inhibiting factors to women's access to formal financial services. This is the case for rural farming, business and domestic women mainly in Chipata, Kapiri Mposhi and Kaputa. More women than men stated that banks have restrictive collateral requirements that make it difficult for them to access finance from formal institutions. The fact that women use the same financial products for a variety of needs points to the existence of a gap in financial service provision, and the inappropriateness of the available financial products.

The main opportunities for improving Zambian women's access to financial services are the design of financial products, financial literacy, and replication of existing financial sector partnerships. Women's financial needs and patterns of use of financial services illustrate the need to design and diversify financial services, while taking into account the features that they value, such as convenience, security, ease of access etc. Financial literacy stimulates sound financial behaviour and reduces women's self-exclusion – it also improves their ability to manage unforeseen events. Lastly, the fact that the Zambian financial system is bursting with partnership offerings to expand financial services to underserved populations and areas, indicates the actors' commitment to improving access levels and can play a role in increasing women's inclusion.

Women's culture of saving and good reputation among financial providers also constitutes an opportunity to increase their access levels. Women are considered to have a lower credit risk profile than men as they tend to be more stable in jobs and have a better repayment record. Women are also very keen to save for short-term targeted purposes, appreciating the benefits of saving in a financial institution.

This report concludes that efforts to improve women's access to financial services should take into account their economic activities, with a special focus on rural areas. This report details recommendations for FSD Zambia, Bank of Zambia and financial institutions.



1 OBJECTIVES AND METHODOLOGY

The main objective of the study is to understand gender usage behaviour towards financial services in Zambia, looking at:

- usage of financial services (levels and trend);
- sources of financial services (formal, semi-formal and informal);
- products used (credit, savings, insurance, remittances, mobile banking and other transactions);
- regional differences (rural vs urban, North/South/East/West);
- awareness, understanding and perceptions of financial services;
- drivers and constraints in accessing financial services;
- opportunities for increased financial inclusion;
- effects of decision-making processes and household dynamics in women's demand for financial services.

To achieve the objectives of the study, secondary and primary data were used – a literature review on Zambia's access to financial services, with a special focus on women's access, and a qualitative research comprising interviews with financial service providers and groups of men and women. Interviews with stakeholders aimed to map the current supply of financial services to women and to analyse the obstacles faced by financial service providers in rendering their services to this market. Qualitative research was conducted in Chipata (Eastern Province), Kapiri Mposhi (Central Province), Kaputa (Northern Province), Livingstone (Southern Province), Lusaka (Lusaka Province) and Solwezi (North-Western Province), including rural and urban areas.

The focus groups were conducted using a discussion guide and MicroSave's participatory rapid appraisal (PRA) tools. These tools included life cycle analysis, seasonality of income analysis, and household generation analysis. The results of this study represent trends that would help the Zambian banking sector to better understand the gender attitudes and perception towards financial services in the country. Further research would be needed to confirm these trends and ascertain their magnitude and representativeness.

2 OVERVIEW OF ACCESS TO FINANCIAL SERVICES IN ZAMBIA

Empirical evidence shows that efforts to increase access to financial services have a direct positive effect on economic development. Access to financial services enables people to save money safely, to borrow for consumption or investment purposes, and to insure against risk. An inclusive financial system is one in which financial institutions and the regulatory framework are responsive to the needs of the poor; helping them to use money more productively and providing them with increased financial security³. Economic development in Zambia is constrained by widespread financial exclusion. Of the countries in sub-Saharan Africa (SSA) where the Finscope survey was conducted⁴, Zambia was found to be one of those with the lowest levels of financial inclusion, after Mozambique, Tanzania and Rwanda. The 2009 Finscope survey found that 63% of Zambia's population aged 16 years and older are financially excluded. Exclusion is greatest among adult women, with about 66% having no access to financial services, compared to 59% of men. This situation has arisen mainly through men's higher access to banking, as 17.3% of adult men are banked compared to 10.6% of adult women.

Finscope data also reveal that exclusion is greatest in rural areas, where some 66% of the population are unable to access financial services compared to 58% in urban areas. Only 14% of Zambian adults have a bank account, and about three-quarters of these are in urban locations⁵. The urban bias is also prevalent in the banks' physical outreach. Of the 94 districts in Zambia, more than 40% have no bank coverage and of those that do have banks, Lusaka alone accounts for 36% of bank branches⁶.

Despite the variety of formal financial institutions operating in Zambia – there are 19 commercial banks and 107 non-bank financial institutions (NBFIs), the latter including 33 microfinance institutions (MFIs), seven leasing and finance companies, and one savings and credit institution – the formal sector is able to reach just 23.2% of the adult population. Of these people, 13.9% are served by the banking sector and 9.3% are served by NBFIs⁷. There are no significant differences between adult women's and men's access to NBFIs, which serve 9.2% and 9.3% respectively. On the other hand, the informal channels play an important role in Zambians' financial inclusion. Informal service providers range from saving with an employer, borrowing from friends and family, and membership of a savings group (*chilimba*)⁸, to accumulative savings and credit associations (ASCAs) and borrowing from an informal moneylender (*kaloba*).

Informal providers serve about 14.1% of the population, and their reach is greater than either banks or NBFIs⁹. Men and women use informal services equally, 14.2% of men compared to 14% of women¹⁰. Although access to financial services in most African countries is low for men and women alike, the latter tend to face several overlapping barriers as they try to improve their lives and their particular economic conditions¹¹. As a result, a greater general inclusion level is accompanied by a greater gap between men and women's inclusion, with the latter lagging in most cases. Given the gender differences in income-generating activities and spending and investment patterns, efforts to promote financial inclusion should take these differences into account to avoid the exclusion of women, as their specific needs and habits are often to the detriment of their empowerment.

3 FINANCIAL ACCESS BARRIERS FOR WOMEN

A study conducted by GIZ analysed the conditional probabilities of gender usage of finance in Zambia, looking at five main variables: marital status, age, location (rural), asset ownership and financial literacy. This study found that women were 5.5% less likely to use financial products than men. While women were 4.0% less likely to use credit and 3.8% less likely to use insurance than men, there was no significant difference among men in their usage of savings. Married women were 7.2% less likely and single women were 4.8% less likely than their male counterparts to use finance, while divorced or separated women over 50 were 27.4% less likely and financially illiterate women were 15.7% less likely to use finance. Women without collateral, for example, were 3.3% less likely to use credit than men without collateral.

These gender differences in the use of financial services reflect socio-economic and cultural aspects that impact gender attitudes and behaviour. Various studies on gender consumption and production behaviour found that men and women do indeed exhibit different trends.

NGO ActionAid found that as farmers, women tend to specialise in the production of food crops and men in cash crops¹². SSA data show that as entrepreneurs, women are 6% less productive than men¹³. As income earners, they generally earn less than men and/or specialise in certain types of employment or business activities that generate less income. As asset holders, women are less likely to be the formal owners of land, property or other assets¹⁴. And as consumers, men and women have different spending patterns and investment decisions that depend on who controls the cash within the household¹⁵.

These differences in production and consumption patterns between men and women shape their financial needs and usage. However, their demand for financial services is also influenced by other socio-economic factors which in turn may lead to a natural exclusion of women from the financial sector. In Zambia, women face socio-economic and cultural factors that affect their demand for financial services, as discussed below.

3.1 Demand-side barriers

Women's demand for financial services arises from their household needs of protecting, planning and ensuring the wellbeing of their families, and their enterprise needs of managing cash, paying for inputs and goods and services, realising business opportunities, and investing profits¹⁶.

3.1.1 Gender norms

According to a World Bank study, both men and women in Zambia participate in all three types of work – productive, reproductive and community work¹⁷. Gender roles and responsibilities lead to the unequal gender division of labour, where women become mainly responsible for household chores, particularly care-giving and reproductive responsibilities. In rural areas household chores include grain processing, transport of harvested crops, collection of water, cooking, cleaning and care-giving. All of these are predominantly performed by women and girls, with the exception of transport – this is fairly distributed between men and women as the former is responsible for transporting the harvest to the markets¹⁸. Most of these activities are time-consuming, particularly grain processing, leaving women with no time or very little time to do anything other than household chores. In urban areas, women are also predominantly responsible for household chores, but it's the nature of these household tasks that changes. While women work over 12 hours per day, men work less than eight hours a day. Women work about eight hours in agriculture and almost four hours in other productive tasks, and men work just over six hours a day in agriculture and about an hour a day on other productive tasks¹⁹.

3.1.2 Customs and culture

Some customs in Zambia negatively affect women's ability to own assets, leading to an unequal gender distribution of land and other assets. Zambia has two types of land, state and customary. Under customary law, when her husband dies, a widow is sometimes chased from the land left for her by her late husband²⁰.

In addition, Zambia has cultural norms, practices and traditions, and patriarchal attitudes, which negatively affect men and women in all domains of their lives. The Committee on the Elimination of Discrimination against Women (CEDAW) found that certain customs and practices such as sexual cleansing, polygamy, and payment of dowry or lobola not only contribute to the persistence of violence against women in Zambia, but also perpetuate discrimination against them. This is reflected in women's disadvantageous and unequal status in many areas, including public life, decision-making, and marriage and family relations²¹. In Zambia, only 11.5% of parliamentary seats in 2012 were held by women, one of the lowest representations in Africa. In contrast, Malawi has 22.3% and the SSA average is around 21% female presentation²².

3.1.3 Legal

The Zambian Constitution

According to CEDAW's 2011 report, the Zambian Constitution is contradictory when it comes to women's rights. While the constitution guarantees women's equal status, it also permits discriminatory laws and practices – such as early marriage, payment of dowry (lobola), the practice of property division after the death of a husband (property-grabbing), sexual cleansing, and polygamy - in the area of personal and customary laws²³. Although there is a draft proposal to amend the Constitution, it does not address the issue of discrimination against women²⁴.

Land Act

The Land Act in Zambia is not gender discriminating. Women in Zambia can apply for land just like their male counterparts²⁵. However, various reports on access to land in Zambia recognise that despite significant positive changes to the Land Act in the past years, women's rights to land have not yet been realised. This is attributed mainly to the duality of the land tenure system whereby 6% of the land is administered by the Ministry of Lands and 94% is administered by traditional leaders under the customary tenure²⁶. This situation leaves women's land ownership at the discretion of traditional leaders who tend to be very patriarchal and discriminating against them.

Moreover, the Land Policy stipulates that a provision of a minimum of 30% of the available land in Zambia should be set aside for women and other disadvantaged groups. According to the Ministry of Lands, this provision has contributed to an increase in land offers to women from 17% in 2007 to 19% in 2010²⁷. However, the lack of clarity on how the 30% should be allocated has hindered the attainment of the provision's expected results. Additionally, some land experts in Zambia argue that the 30% allocation is not sufficient to meet the demands for land of women and other disadvantaged groups, particularly when considering the long historical reality of an unequal society in which women have not had access, ownership or control over land²⁸.

Family law

In Zambia, inheritance plays a big role in land administration and the distribution of wealth. In the case of family law, the dual system of law also generates adverse outcomes.

Although the State has indicated that statutory law will prevail where there is a conflict with customary law, CEDAW found that customary law is in fact preferred and is more likely to be applied in family and personal matters such as adoption, marriage, divorce, burial and the devolution of property upon death²⁹. In practice, women bear the higher burden of childcare and the harmful practices deriving from customary law negate their rights to decide freely and responsibly on the number and spacing of their children³⁰. These reproductive responsibilities enable women to plan and engage in more economic empowerment activities. In areas under customary tenure, a wife rarely inherits land or other property from her husband, and her rights to joint marital property are not recognised. In most cases, the right to inherit land and other property is the prerogative of the next of kin, who is usually defined and also usually participates in property-grabbing³¹. While the Intestate Succession Act is said to protect against property-grabbing, rural widows often find themselves fighting to maintain their property rights³².

Labour law

The Industrial and Labour Relations Act prohibits discrimination in employment on the grounds of sex. However, it does not explicitly include the prohibition of sexual harassment in employment. There is a significant gender wage gap in the formal sector, of which women represent only a small portion. This portion has been diminishing, owing to a general lack of job opportunities in Zambia, particularly for rural youth. Hence, women are well-represented in the informal sector. According to CEDAW, despite the efforts to regularise the informal sector, the pay in that sector is generally lower and there is no social security or other benefits³⁴.

3.1.4 Education

Women's levels of education in Zambia have increased sharply in the past years, thanks to the government's commitment to women's empowerment. The 2013 Human Development Report states that in 2012, 25.7% of adult women in Zambia reached a secondary or higher level of education, compared to 44.2% of their male counterparts³⁵. Although percentages of men with secondary and higher education are almost double those of women, the percentage of women with secondary and higher education in Zambia is slightly above the SSA average of 23.7%³⁶.

While gender parity in primary school enrolment has increased from 0.90 in 1990 to 0.99 in 2010, mainly due to the introduction in 1994 of the Programme for Advancement of Girls' Education, gender parity in secondary education has fallen from 0.92 in 1990 to 0.86 in 2010. The main reason is a high dropout rate for girls³⁷. Girls become wives, mothers and care-givers at an early age, which results in more domestic responsibilities, teenage pregnancies and early marriages. Gender parity in tertiary education has remained almost unchanged from 2005 (0.74) to 2009 (0.75). Many young women do not enrol in colleges and university, or find it difficult to continue attending classes after getting married or becoming pregnant³⁹.

3.1.5 Income

Levels of income in Zambia are still very low. According to the World Bank, 60% of Zambians live on less than USD 2.50 a day⁴⁰. Finscope 2009 found that almost 80% of adults earn below K400 000 (equivalent to USD 77⁴¹) a month. Income inequality has worsened from 0.60 in 2006 to 0.65 in 2010, mostly in rural areas⁴². Most economic activities are concentrated in urban areas, while the rest of the country is fairly underdeveloped and dependent on subsistence farming⁴³. Female participation in the labour market is 73.2%, compared to 85.6% for men⁴⁴. Finscope found that 50% of rural and 27% of urban adults do not have a regular monthly income, but rely mostly on income from farming and self-employment. Only 14% of urban adults earn a salary or wages from a company or business, dropping to less than 3% of rural adults. In rural areas, financial activity is driven by farming activities, whereas in urban areas self-employment (running own business) features more prominently. Given that women are located predominately in rural areas and engage in farming activities, this implies that their incomes are lower and more irregular than men. Lower, more irregular incomes affect people's ability to access financial services - this is seen in the 77% of the unbanked population which cited insufficient income as a reason for not having an account⁴⁵.

National statistics found that about 94% of women in 2008 were informally employed. In rural areas 73% of men aged 15 and older are economically active, compared to 52.9% of women⁴⁶. In urban areas this rises to 82.3% of men and 80% of women⁴⁶. The majority of the employed population is self-employed (44.1%), followed by unpaid family workers (32.9%).

3.1.6 Perceptions and awareness

Financial education and business skills are critical drivers of improved financial capability and economic participation. Financial education covers the spectrum of basic awareness of money management and the tools available to do so, to complex financial and business management tasks such as cash flow forecasting. A low level of financial capability poses another demand-side constraint. Finscope 2009 data suggests that the salaried rural segment (where government employment is significant) is relatively financially literate, generally performing as well as their urban counterparts in many areas of capability. However, rural farmers score poorly on most financial literacy dimensions⁴⁷. The majority of Zambia's poor population lives in rural areas and as income from farming tends to be erratic and lumpy, farmers' disposable income is usually available only at harvest time - this requires effective planning to last throughout the year. Finscope data shows that budgeting is uncommon amongst rural farmers and the very poor, with just a fifth of adults in these segments saying they keep a monthly or weekly budget⁴⁸.

Rural farmers also show extremely low levels of financial awareness - only 5% have heard of and understand the term 'ATM/cash point card'; but awareness of the term 'savings account' is slightly better, accounting for 17% of the population⁴⁹. However, 57% of rural farmers who use credit did not understand the concept of 'interest'. This may hinder their ability to choose the right product and may contribute to over-indebtedness⁵⁰. The usage of insurance products applies to only 1% of rural farmers - this may be attributed to a low level of awareness of the product as just 15% of rural farmers have heard of and understand the term 'insurance'⁵¹. Attitudes and perceptions also play a significant role in the usage of financial services. Finscope 2009 found that less than one in three unbanked adults trust banks and less than one in three know where to go to open a bank account or use a bank product. This will impact the manner and magnitude of women's use of financial services.

3.2 Supply-side barriers

Financial institutions inhibit women's access to financial services in various ways. These include service delivery, physical outreach, product features, bank requirements, evaluation methods and financial infrastructure. Women are not considered as favourably as men as a business segment for financial institutions, as such institutions do not quite understand the demand for gender-tailored products. Moreover, their credit assessment methodologies do not take into account certain factors that enhance women's creditworthiness, such as their higher propensity to save and to invest. Consequently, their product features tend not to meet women's needs at the business and household levels⁵². A few supply-side factors that constrain women's access to and usage of financial services are subsequently analysed.

3.2.1 Accessibility

The 2009 Zambia Finscope survey found that about 56% of the population in rural areas takes more than an hour to reach the nearest financial institution and just 15% reaches the nearest financial institution in under 30 minutes, unlike people in urban areas where 85% takes less than 30 minutes to reach a financial institution and just 2% takes more than an hour⁵³.

The lengthy travelling time, particularly in rural areas, illustrates the failure of financial institutions to reach out to rural areas where most women live. Despite the considerable number of banks in the country, their distribution has been quite unequal - with the exception of Lusaka, Ndola and Kitwe, the covered areas have less than 5% of the country's bank branches⁵⁴. Complicating the unequal geographic distribution, there is also a concentration of banking infrastructure as some 80% of bank branches are owned by just five banks, as of January 2014⁵⁵.

Given that women's household responsibilities consume their time, travelling an hour to reach a financial institution may make informal mechanisms more appealing than formal financial services. According to the Finscope survey, about 7.4% of the reasons cited for not having a bank account are related to physical access, mainly because of the distance required to reach a bank, and to a lesser extent (0.2%)⁵⁶ to bank opening hours. In addition to the limited time available to women to access financial services, their limited resources don't always allow for the costs of regular transport to a financial institution.

3.2.2 Affordability

The Finscope survey revealed that about 20% of the reasons for not having an account in Zambia were related to affordability - high bank charges and the inability to maintain a minimum balance. On the demand side this may be because women have coupled lower levels of income with the irregularity of income associated with informal businesses.

Although MFIs, based on their track record of serving the bottom of the pyramid, have the greatest potential to reach women, their service charges tend to be higher than those of commercial banks. Yet, there's a general perception among the low income group that MFIs are cheaper than banks. In December 2013, the banks offered average lending interest rates of 16.4%, while MFIs offered average annual effective interest rates of about 34%⁵⁸. These represent a general decrease in the cost of credit as a result of the Bank of Zambia's introduction of interest rate caps in January 2013. Interest rates are capped at 18.25% percent for the banking sector, a maximum of 42% for the MFIs and 30% for other NBFIs⁵⁹. Even though the banking sector exhibits the lowest lending rates, the rates are still high. These can be attributed to the lack of competition in the Zambian banking system - despite the existence of 19 banks in the industry, the top four banks' assets account for about 60% of total banking sector assets⁶⁰.

3.2.3 Appropriateness

Looking at the needs of the various income-generating activities in Zambia, the provision of financial products seems to be inadequate, mainly for the rural and low-income population. Finscope Zambia distinguishes four main income-generating activities in Zambia:

- farming;
- own business;
- money from household members; and
- salaried (from government and private company).

The formal providers tend to target salaried workers who have regular and considerable incomes, leaving the other income-generating activities underserved. Salaried workers account for about 47% of the banked population, followed by self-employed people who are 18% banked. Farmers and people who depend on household members for income are the least banked, accounting for 7.5% and 9% of the banked population respectively. The banking system's loan-to-deposit ratio is low at around 65%, indicating that the lack of bankable projects and borrowers is the main reason for limited credit delivery⁶¹.

The usage of insurance among urban adults is 5.4%, compared to 3% in rural areas. Informal insurance is very limited. And in terms of transactional banking, about 26.3% of all urban adults, compared to only 9.6% of rural adults, currently use transactional services. Usage is almost equally spread between informal and formal transaction services, with 15.9% of adults using informal transaction services and 15.5% using formal.

Although Finscope found that only 0.2% of people stated that banks do not provide needed products, the fact remains that out of 19 commercial banks, only one provides a product dedicated to women (the self-help group [SHG] loan).

Additionally, no more than five banks provide agriculture finance on which 52.2% of the rural farming population farming lives, and very few insurance companies provide microinsurance products, pointing to the existence of a gap in service provision in Zambia that is gender - and income-generating sensitive.

The microfinance sector in Zambia, despite its considerable numbers, plays a relatively small role in financial inclusion, with approximately 100 000 clients as of 2012⁶². The sector comprises two main types of MFIs - development MFIs and consumption-lending MFIs, sometimes categorised as payday lenders⁶³. Consumption lending accounts for 90% of the microfinance sector's portfolio, compared to 30% in the banking sector⁶⁴. Development MFIs have a greater presence in rural provinces, with their reach more evenly distributed throughout the country, while consumption-lending MFIs are more heavily concentrated in Lusaka and Copperbelt provinces. Consumption lending tends to be targeted at salaried workers, omitting the needs of the other income generating activities.

3.2.4 Gender-disaggregated data

Tracking the success of initiatives to improve women's access is difficult in Zambia as financial institutions do not - or cannot - report gender-disaggregated data, limiting information on what women want and need. Without performance data, there is no evidence to (most likely) disprove the perception of credit-unworthiness. In terms of lending to SMEs, the barriers differ in terms of level and magnitude⁶⁵. Consequently, banks are also not able to rethink evaluation methods and risk analysis to accommodate the specificity of the women-led SME segment.

In 2004, two microfinance institutions in Zambia, the Christian Enterprise Trust of Zambia (CETZAM) and PRIDE Zambia, conducted gender audits financed by the Humanitarian Institute for Development Cooperation (HIVOS). Their objective was to contribute to the improvement of the MFIs' performance, by ensuring that services are equally attractive for men and women, taking into account their different needs, priorities and characteristics⁶⁶. The report recognised that as long as gender issues were not framed within viable business case propositions, microfinance practitioners would merely give lip-service to the discussion - even if evidence points to potential incremental business in improving financial services to women. The audit generated positive feedback for both institutions in that it contributed to improving internal organisation issues as well as client issues from a gender perspective⁶⁷.

3.2.5 Eligibility

To a minimum extent, there are regulatory barriers to access, deriving from the anti-money laundering legislation's know your customer (KYC) requirements. Under this requirement, when conducting financial transactions customers should present an ID or other acceptable form of identification. Finscope found that 0.8% of adults stated that they do not have an ID document to open an account⁶⁸. Only 2.6% of unbanked adults have access to the standard KYC documentation.

In addition to regulatory barriers, banks tend to request collateral on loan applications which women in particular are unable to present, either because they do not own property or because even in cases where they own land, they do not have title deeds.

3.2.6 Financial infrastructure

Credit information can facilitate women's access to finance, mainly in countries like Zambia where they have little collateral or control over assets. Women's positive repayment records using credit bureaux could enhance the ability of women-owned businesses to access loans⁶⁹.

In 2013 Zambia's credit depth of information index⁷⁰ fared very well at five units, above the SSA average of two units and at the same level of OECD⁷¹. Private credit bureaux covered 12% of the adult population in 2013, compared to 5.4% in January 2012. The public credit bureau coverage on the other hand is very limited. The improved depth of credit information infrastructure and good enforcement of contracts has conferred on Zambia a higher access to credit score under the Doing Business Report, making it one of the best performing SSA countries in terms of institutions and regulations that facilitate access to credit. Progress in this area has helped boost overall credit growth to an average of over 30% during 2011 and 2012⁷².

Zambia is currently planning to introduce a unified collateral registry system⁷³ which will further reduce the costs of loans for SMEs and improve access to financial services, mainly in rural areas where most of the female population live.

Despite these improvements, Zambia's current financial infrastructure does not provide adequate access to an effective retail payments infrastructure. It is common for women in Zambia to receive remittances from family members working outside of Zambia, to help them smooth their small but regular incomes over time. However, the lack of accessible, affordable alternatives means that these amounts are sent through informal channels, despite the inherent risks and limitations. According to Finscope 2009, about 96% of the rural population receive their money in cash, compared to about 87% in urban areas. In addition, about 43.1% of remittances are channelled through family and friends.

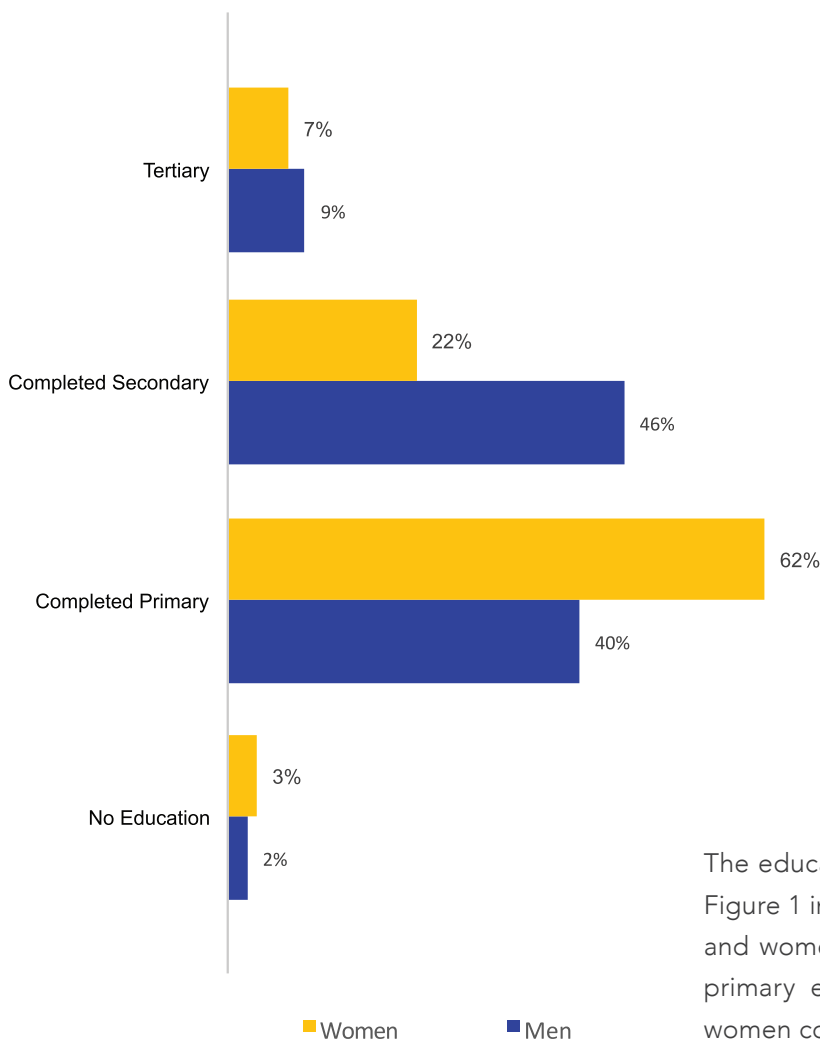


4 Profiles of study participants

The research polled 60 focus groups, comprising a total of 413 participants. Of these, 277 were women on 41 focus groups, and the remaining 136 participants were men, in 19 groups. The information on the women’s profiles was individually collected, looking at socio-economic variables of gender, age, economic activity, and education level, position within the household, and marital status. The subsequent sections are based on data collected through focus groups, where the information is recorded on group consensus and not individual participants’ responses. Hence, while the data on women’s profiles represents percentages over the total number of participants (i.e. 413 participants), the data on the remaining report is presented as percentages of the total number of focus groups (i.e. 60 groups).

The age of the respondents ranged from 16 to 77 years, but both women and men participants were mostly young with an average age of 34 years.

Figure 1: Levels of education



The educational profile of the participants depicted in Figure 1 indicates the existence of parity between men and women at almost all levels, with the exception of primary education, where more of the participating women completed primary education compared to the participating men.

Status within the household is evenly split between men and women - 50% of women and men are the heads of their households. A significant number of the participants are married, amounting to 60% of the sample, with 56% of women and 64% of men married. Thirty percent are single and the remaining 10% are divided between divorced and widowed. Additionally, about 8% of women are divorced compared to just 1% of men. No male participants are widowers while about 10% of the women are widows.

Regarding the future expectations of the research participants, the results point to three main aspirations in particular: completion of studies, business development, and building a house. Completion of studies was found to be more relevant to men as 21% of men, compared to just 7% of women, stated that they aspire to go back to school and finish their studies. To a lesser extent, men's desire for business development is slightly higher in relation to women, amounting to 26% and 17% respectively. Quality of life was measured through the groups' perception of the improvement of their lives in the last two years. Overall, it was found that the quality of life is perceived to be decreasing for more than 55% of the groups. Only 18% stated that their lives are improving and 27% stated that their lives are the same. The decline in welfare is more significant for women than for men. The decline in welfare is mainly associated with the loss of the participants' purchasing power because of a higher cost of living, primarily for farmers in rural areas and salaried workers in urban areas.

5 UNDERSTANDING HOUSEHOLD DYNAMICS AND DECISION-MAKING PROCESSES

The demand for financial services is influenced by a variety of factors, those originating from the day-to-day life of one's household, as well as the day-to-day life of one's economic activities. The decision-making power within the household has a great impact on one's ability to access financial services, and discretion to select the use of such services. This holds true for men and women, but is much more of a determinant in women's usage of financial services, as their relatively disadvantaged economic and social condition leaves them more vulnerable to domineering attitudes within their households.

Women's financial decision-making processes within their households and communities in the study's areas depend on the specific activities in which they are involved. Women work more in farming, commerce, hospitality and livestock, while men's main economic activities include salaried work, transport, construction, piece work and livestock.

While women receive more cash than men in fishing, farming, commerce and hospitality, as they are more frequent retailers than men and sell their fish and agricultural produce in the markets, men receive more cash from transport, construction and piece work. Surprisingly, women stated that they receive more cash from salaries than men.

On decision-making power over the use of money from their economic activities, there is a general consensus between men and women that in a household run by a married couple, decisions taken together are better if the couple wants to progress. Men recognise that there are certain things that women do better, such as knowing what is needed for the household and keeping track of school fee payment dates.

***“The woman is an advisor,
they are our helpers, our ribs”***

Male Group, Kapiri Mposhi

However, some men and women stated that nowadays, decisions over the use of money are based on the person who makes more money within the household. Some men even said that women can become the head of the house if the man is not earning any money. Decision-making across the various activities varies from one area to the other, depending on where men and women make the most money. For instance, in Chipata women focus more on commerce while men work in construction. In Kapiri Mposhi women focus on farming and men focus on construction. In Livingstone, men focus on salaried work while women focus on business. In Solwezi, women focus on business while men focus on piece work.

6 GENDER ACCESS TO FINANCIAL SERVICES - DETERMINANTS AND USAGE

Women's demand for financial services is determined by the various life events – expected and unexpected – that they experience and that establish their household and business financial needs. As described in the literature review, men and women exhibit differences in production and consumption patterns, which in turn shape their financial needs and usage. The extensive list of events mentioned by the study's target group was divided into three main categories, as described below.

- **Life cycle events** – predictable events like the birth of a child, the payment of school fees, baptisms, marriage, home construction (or rent), illness and death;
- **Opportunity events** – predictable events that include the creation or expansion of a business and the acquisition of business assets and household assets;
- **Emergency events** – unforeseen events encompassing personal (illness, death or unemployment of the person who generates the most family income, theft) and natural disasters (floods, droughts, fires, pests).

6.1 Financial needs – expected and unexpected events

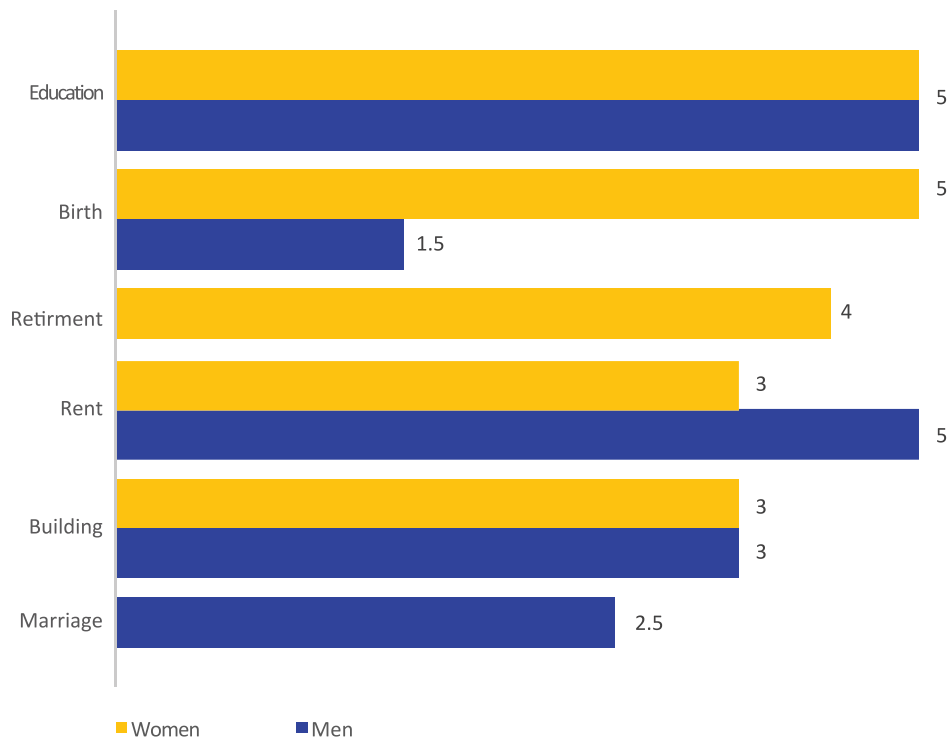
In general, women's financial needs in Chipata, Kapiri Mposhi, Kaputa, Livingstone, Lusaka and Solwezi exert different levels of financial pressure in their income and expenditures, leading to the use of different coping mechanisms.

6.2 Expected events

Life cycle events

The participants were asked to name the main expected events that exert the most financial pressure in their day-to-day lives, using a scale of level of pressure from 0 to 5, the latter being the maximum level. Based on the participants' responses, as illustrated in Figure 2 below, it was interesting to note that retirement is considered to exert a high degree of financial pressure but is only mentioned by women participants. This may be associated with the fact that men tend to have more formal jobs than women and as a result tend to have access to social protection systems. It was also interesting to find that marriage only exerts financial pressure in men's lives - this may be associated with the fact that men are expected to pay for the wedding.

Figure 2: Life cycle events



Each life cycle event is described below, highlighting the gender differences. Note that death and sickness are also life cycle events, but because they also fall under emergencies, they will be discussed under emergency events.

The research found that among the women participants, education and the birth of a child are the two events that exert maximum financial pressure on their lives:

- **Education** is said to cause a lot of stress and financial pressure for both men and women because it requires much money for a long period of time, from primary through to tertiary level. In addition to the payment of school fees, there are costs associated with the purchase of uniforms, books, stationery and others, arising on a day-to-day basis for the school. For women with several children, the pressure is even greater, making it difficult to pay for all of them. Despite the high costs associated with school, men and women regard education as very important for the improvement of the family's social and economic condition, as they expect that in the future their children will take care of them.
- **Birth of a child** constitutes an equally important event for a woman. It exerts high financial pressure on her finances as she has to pay for hospitals, and clothing for the newborn and for herself. Men are not pressured by childbirth to the same extent.

The life event that exerts the next highest pressure is retirement, followed by rent and building a house.

- **Retirement** is considered to be a source of high financial pressure because of the associated uncertainty. Women state that when people retire there is a period during which they have to wait for their pension, and it's then that they face the risk of being evicted from their houses for failing to pay rent. Those who are not formally employed face an even worse time when they retire, as they are not included in the social protection system, and have no source of income.

- **Rent** can be quite stressful when it has to be paid in months where there is less income. Although they are expected to pay monthly, women experience added financial pressure because of the possibility of being evicted by the landlord in case of failure to pay.
- **Building** a house causes moderate financial pressure on women's income because it is usually paid for by a couple, alleviating the burden on just one person. In addition, financial pressure is not acute as building is often done gradually. In addition to building, women also spend money on buying door frames, window frames, etc.

The event that exerts the least pressure for women is marriage.

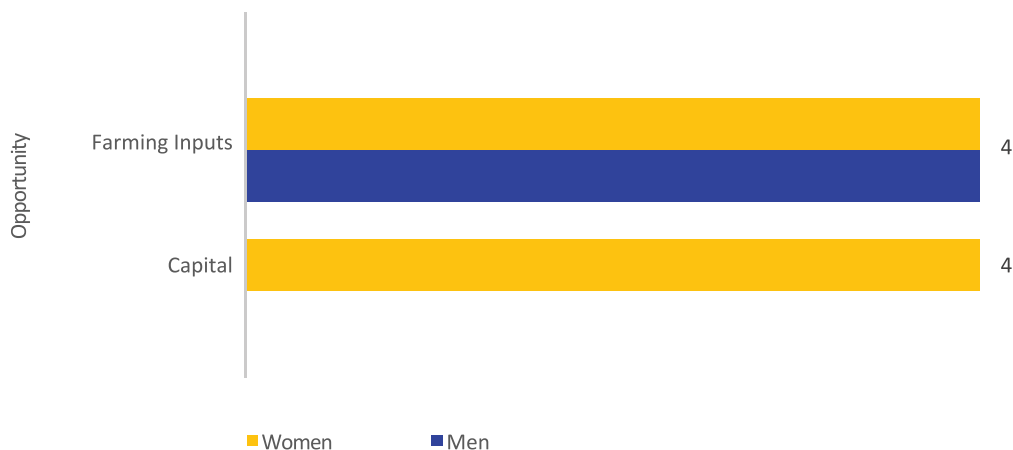
- **Marriage** expenses are linked to the cost of organising weddings and marriage ceremonies. However, family and friends usually help out with wedding costs, alleviating the financial burden. The burden is also regarded as lighter because it involves two parties that contribute to the event. Surprisingly, marriage only causes financial pressure in men's lives.

Opportunity events

These relate to the purchase of farming inputs and the need for business capital, as seen in Figure 3. It is interesting to note that the need for capital is only mentioned by women, and it exerts a high degree of financial pressure.

This may be associated with the fact that business constitutes a subsistence mechanism to more participating women than men, making them more sensitive to their ability to raise or increase business capital.

Figure 3: Opportunity events



- **Farming inputs** are quite demanding during the planting season. Planting requires a lot of money for fertilizer, labour, machines, cows for ploughing, and others.
- **Capital** for business is considered to be very difficult to raise, as the amounts needed tend to be high. Only women mentioned that the need for capital exerts financial pressure in their lives, stating that their savings are insufficient to meet the capital requirements for their businesses.

Other expected expenses

- **Transport** affects more men than women in terms of the impact on their disposable incomes. Transport is a challenge as farmers and business people have to bring their produce and products to the marketplace.

Business people who order goods from Lusaka, for instance, lose out on part of their profit margin because of transport expenses.

- **Clothing:** both men and women equally regard clothing expenses as financially demanding, particularly in winter, as it involves the purchase of clothes for them and for their children.

6.2.1 Unexpected events

Unexpected events arise in emergency situations where the level of financial need cannot be predicted, as it depends on the type of emergency. Figure 4 below illustrates the three most common emergency situations experienced by the study participants.

It is interesting to note that divorce is only mentioned by women, and it exerts a considerable degree of financial pressure in their lives. The pressure felt by women in events of divorce may be associated with discriminating practices arising from the Zambian customary law as described in Part I of the report, under which men have preferential benefits to the access of property and other family assets. Hence, the fact that women may not be entitled to share with the spouse any family asset may imply that after a divorce a woman will have to re-build her wealth.

Figure 4: Emergency events



A brief description of the three most mentioned emergency situations is provided below:

- **Death** results in unexpected costs linked to the purchase of a coffin, logistics for the funeral and its ceremonies, which can last for a week or more, depending on family practices. Despite its high level of financial pressure, women stated that in cases of death they receive financial help from friends and family, or in-kind help from their church, easing their financial burden.
- **Divorce** is said to require a lot of money especially if it is settled in the High Court. Women argued that although most marriages end without them having to pay for the divorce process, starting a new home can be financially demanding in its own right.
- **Sickness** causes financial pressure in men and women's lives because it arises unexpectedly and it is costly to transport the patient to the hospital, to pay for hospitalisation and to buy medicine.

Men and women experience almost the same level of financial pressure regarding unexpected events. With the exception of divorce cases which men do not find relevant enough to attribute any degree of financial pressure, there is no gender disparity in financial pressure in instances of death and sickness, as both sides argue they cannot postpone or refuse to deal with such situations.

6.3 Financial coping mechanisms – formal and informal services

To accommodate their myriad financial needs arising from the various expected and unexpected events, women resort to a mixture of financial mechanisms depending on the level of financial pressure that these exert on their disposable incomes.

Women widely use chilimba⁷⁴ to fulfil their financial needs, as demonstrated in Table 1 below. Apart from serving as a form of saving, chilimba is used as a coping mechanism for dealing with life's opportunities (see Table 2). Table 1 also illustrates that women use informal mechanisms quite extensively and indiscriminately because of their ease of access.

Women see more advantages than disadvantages from using chilimba as it takes place between friends. Compared to other informal mechanisms such as kaloba⁷⁵, women find chilimba comparatively safer in cases of a repayment default. These three sources are predominantly used in urban areas, primarily in Lusaka, Solwezi and Chipata.

Table 1: : Mechanisms used for expected financial needs

| Mechanisms | Advantages | Disadvantages | Life cycle events | | | | | | Opportunity events | |
|--------------------------------------|--|---|-------------------|-------|----------|----------|------|------------|--------------------|----------------|
| | | | Education | Birth | Building | Marriage | Rent | Retirement | Capital | Farming Inputs |
| Informal | | | | | | | | | | |
| Chilimba | Do not need to top up; easy access; no charges; conducted between friends; serves as a way of saving; the only option available; safe compared to kaloba. | Late contributions; death of a group member; have to pay even if has no money; dropouts. | ★ | ★ | ★ | ★ | ★ | ★ | ★ | ★ |
| Church | No interest. | | ★ | ★ | | | | | | |
| Kaloba | Easy access; only option; it is someone you know; you can get a bigger amount of money. | Interest on late repayments; not affordable; risk of losing household assets; reduces/eliminates business profit margins. | ★ | ★ | | ★ | ★ | ★ | ★ | ★ |
| Savings groups ASCAS (SILC) | Can afford any amount; flexibility of payments; earns interest; understand inability to pay. | | ★ | ★ | ★ | | | | | ★ |
| Family and friends | No interest; no guarantees; easy access | Limited confidentiality; can damage relationships. | ★ | ★ | | ★ | ★ | ★ | ★ | ★ |
| Home | Easy to use anytime; safe | Robbery; increases unnecessary spending; fires. | ★ | ★ | | | | | | |
| Semi-formal | | | | | | | | | | |
| NGOs | Give in-kind loans; no interest; flexibility of repayments; easy access. | | ★ | ★ | | | | | | |
| Formal | | | | | | | | | | |
| Banks | Savings: safe; discourages unnecessary spending; save money Credit: larger amounts of money; can get a loan if you save with them; interest rates lower than MFIs | Do not cater for small income population; charges; high interest rates; complex; procedures; not accessible, risk of being blacklisted; salary based; don't give the requested amount; credit amount cannot exceed 60% of salary; no interest on deposits; bank closure; long time for disbursement; unexplained charges; systems problem; too far; cannot easily use for an emergency. | | | | | | | | ★ |
| Microfinance institutions | Affordable; higher credit amounts than chilimba; they understand delay of loan payment; they are helpful; they give enough time to repay the loan. | It is for big businesses; risky because it is in a group; risk of losing property; must have collateral; charges; it is for government workers ¹ . | ★ | ★ | ★ | | ★ | | | ★ |
| Saving and credit institution | Participants could not provide their views on the advantages and disadvantages of these service providers, as they do not use them. | | | | | | | | | |
| Leasing companies | | | | | | | | | | |
| Building society | | | | | | | | | | |
| Insurance companies | | | | | | | | | | |

With money lenders (or kaloba officers), women state that they risk losing their valuable assets, even their houses to kaloba officers. In some cases, kaloba officers may resort to physical aggression. Despite the contrasting risks and benefits associated with the use of kaloba and friends and family, their usage patterns are exactly the same. Women use both to meet the same financial needs. Another relevant informal source of finance for women are the accumulated savings and credit associations (ASCAs), also known in Zambia as SILC (savings and internal lending communities). Women consider SILC advantageous to their needs as they earn interest on the small amounts they are able to save and put into the group. Small savings amounts are kept at women's houses. Although many women save at home, these savings are used for household expenses such as food, clothing, transport, etc. The use of informal coping mechanisms is led by women - 46% use chilimba compared to only 16% of men. The use of kaloba and friends and family is also dominated by women with 37% and 41% respectively compared to 26% and 16% of men. From the economic activity standpoint, domestic women (56% of domestic, using more family and friends) have the highest level of informal usage, followed by salaried women (33%, using more kaloba), business women (28%, using more chilimba) and lastly farmers (25%, using more kaloba). Women also use NGOs to cope with very specific needs as these provide in-kind help such as food in cases of weddings, clothes for children and other items. NGOs are exclusively used by women, although only 10% of women indicated that they have used such a source.

As shown in Table 1, the formal financial providers are at the bottom end of the usage scale. Of the various service providers in Zambia's system - banks, MFIs, savings and credit institutions, leasing companies, building societies and insurance companies - only banks and MFIs are used by women. This may signal the existence of inadequate service provision by the formal providers.

Table 2 below shows that there is also a gap in formal service provision for emergency situations, as only consumer lenders are used in cases of emergencies. These needs are again met by the wide use of informal mechanisms. In emergency situations, the fact that informal mechanisms are easily accessible, disbursements are immediate, and repayment modalities are flexible determines the choice of which mechanism to resort to.

Table 2: Mechanisms used for unexpected events

| Emergency events | | | |
|--------------------------------|--------------|----------------|---------------|
| | Death | Divorce | Health |
| Mechanisms | | | |
| Informal | | | |
| <i>Chilimba</i> | ★ | ★ | |
| Church | ★ | | |
| <i>Kaloba</i> | ★ | | |
| Savings groups ASCAS (SILC) | ★ | ★ | ★ |
| Family and friends | ★ | ★ | ★ |
| Home | ★ | ★ | ★ |
| Semi-formal | | | |
| NGOs | | | |
| Formal | | | |
| Banks | | | |
| Microfinance institutions | ★ | ★ | ★ |
| Savings and credit institution | | | |
| Leasing companies | | | |
| Building society | | | |
| Insurance | | | |

6.4 Use of financial products and services

Not surprisingly, women's use of financial products and services is driven by informal mechanisms through which more women have access to a variety of financial services, as depicted in Figures 5 and 6 below.

Figure 5: Formal use of financial services

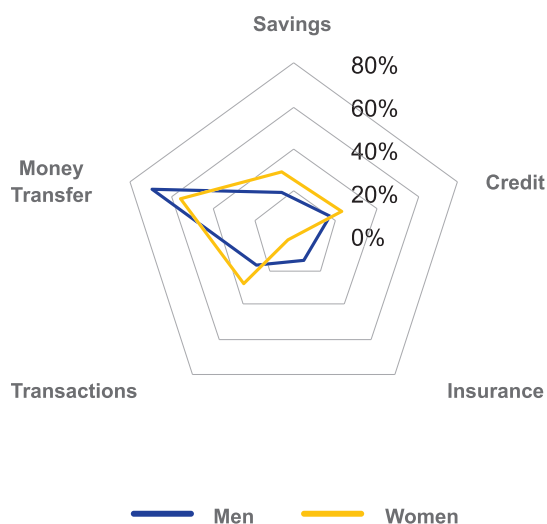
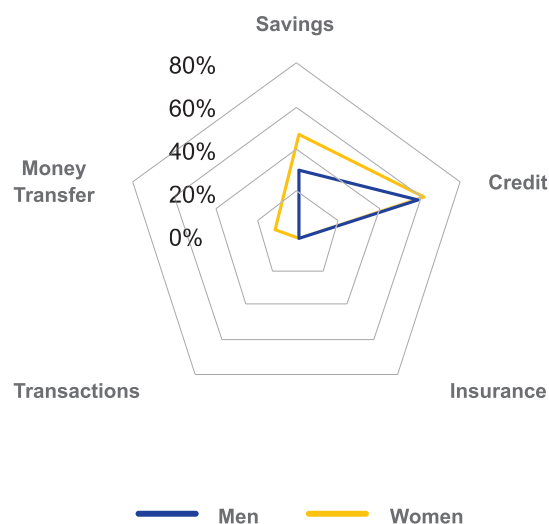


Figure 6: Informal use of financial services



About 61% of the participant women use informal credit compared to 21% who use formal credit, and 49% used informal savings in the past year compared to 20% who used formal savings. Formal credit and savings is used predominantly by women.

Women's higher access to formal credit is linked to their participation in group loans at MFIs while men have more access to individual loans in banks. Moreover, about 46% of women's formal savings have been accessed indirectly, via facilities such as the use of a family member's bank account. Whilst women used more informal credit and savings than men in rural areas, in urban areas men used more informal credit than women and women used relatively higher informal savings.

Money was found to be transferred primarily through formal mechanisms such as mobile banking, post offices and Western Union with 43% of the study's participants having used these means, compared to 8% who used informal mechanisms such as bus drivers or "someone trustworthy". Because of the low transaction costs associated with mobile banking, as well as its convenience and speed in reaching its recipients, over 80% of money transfers were conducted through mobile phones. Money transfer services, including mobile banking, were used by 45% of men, compared to 35% of women.

Naturally, transactions entailing the use of cheques, ATM machines, POSs and other sophisticated forms of payment were only conducted within the formal financial sphere because of their unavailability within the informal sector. Once more, women dominated the use of transactions at 21%, compared to 14% of men. However, over 40% of women's transactions conducted through ATMs are done with someone else's card.

Conversely, insurance is four times more used by men although both have very low usage levels. Its use is associated with car and credit insurance.

The use of financial products was found to vary according to the type of economic activities that the participants engage in, the geographic location, and whether they are in rural or urban areas. Firstly, looking at the usage patterns by economic activity, as observed in Figure 7 below, it can be seen that mobile money is most used, regardless of the activity.

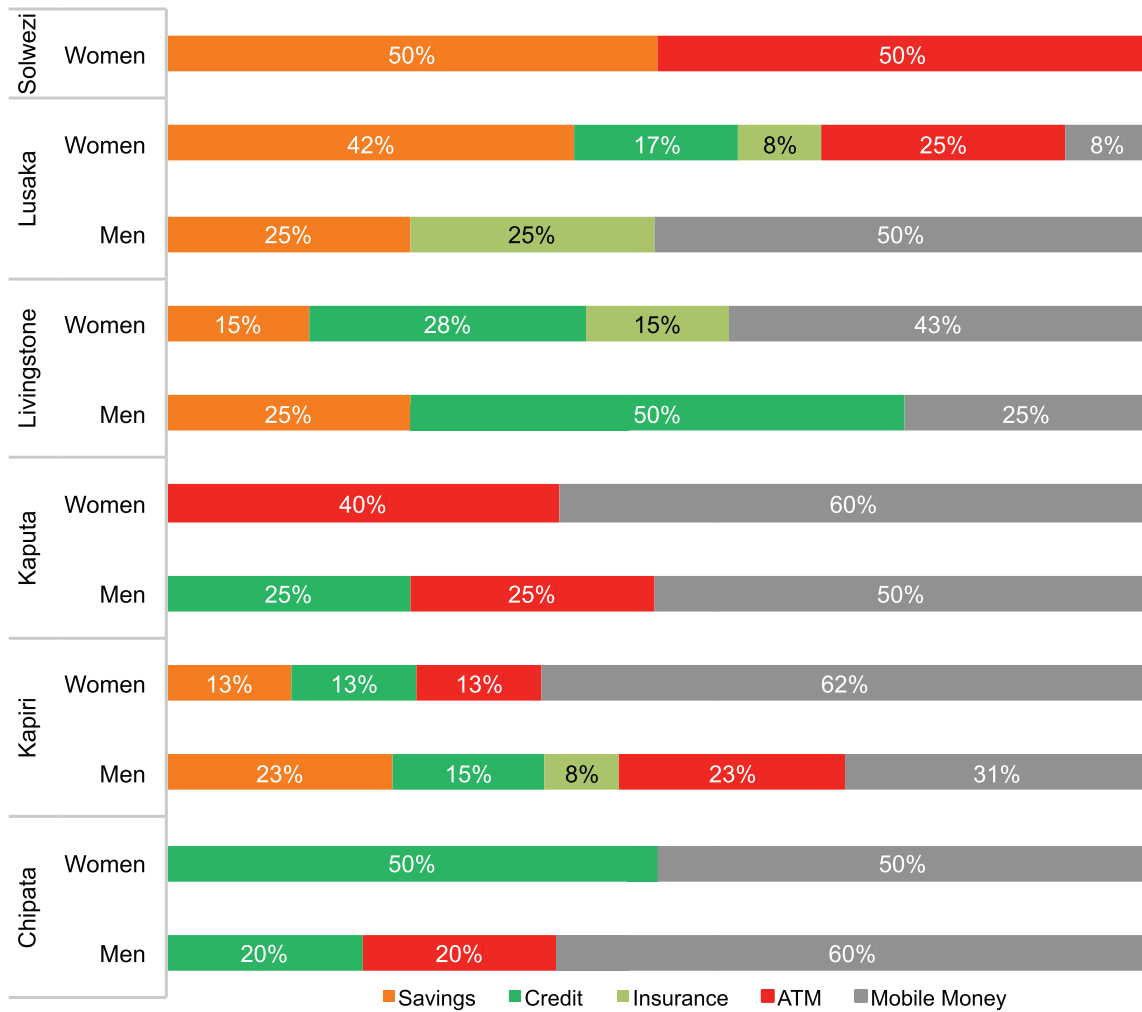
Figure 7: Formal use of financial products and services per activity



In addition, it is noted that domestic women do not use credit. Those that do have mentioned that in addition to credit from MFIs, they use consumer loans quite extensively. It is also observed that the use of ATMs by farmers is negligible. Insurance is only used in Lusaka, Livingstone and Kapiri Mposhi, but men use it more than women in Lusaka.

Secondly, looking at the usage patterns per location, it is observed that formal savings in Chipata and Kaputa are non-existent for both men and women – this may be linked to the limited coverage of financial institutions in these areas. Lusaka and Solwezi have the highest levels of formal savings, particularly in urban areas. The use of credit is higher in Livingstone followed by Chipata, Kapiri Mposhi and Lusaka.

Figure 8: Formal use of financial products and services per location

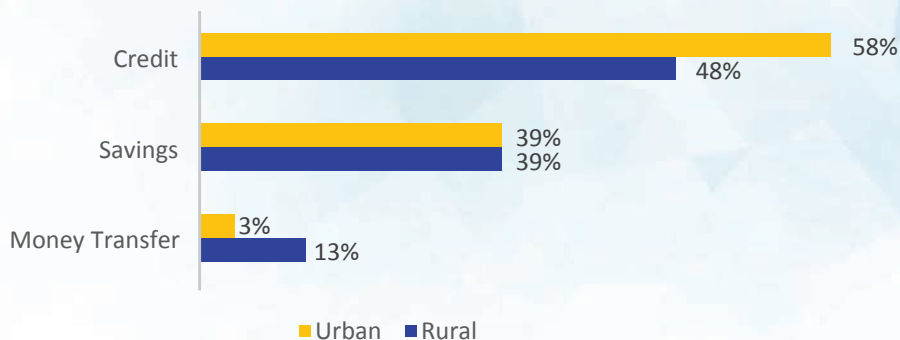


Thirdly, Figures 9 and 10 show that the magnitude of use of formal and informal financial services varies between rural and urban areas. Although in rural areas the magnitude is the same for formal and informal savings, in urban areas there are more informal than formal savings.

Most people saving at home reported the use of a wooden box to keep their money.

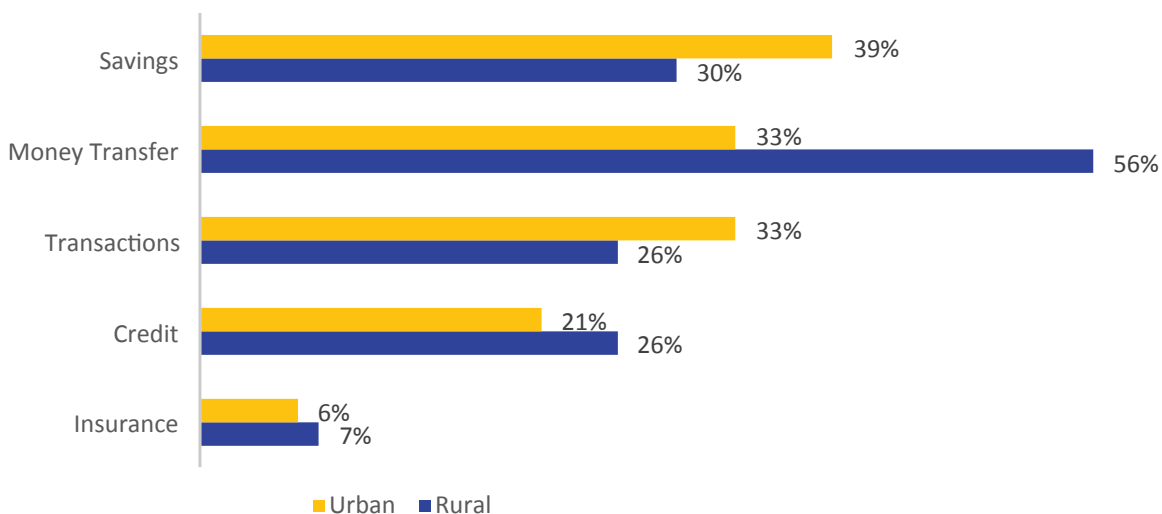
On the other hand, informal credit in both urban and rural areas is considerably higher than the credit levels in the formal sector. Women are also leaders in urban informal credit as 39% of them use kaloba compared to 30% of men, while 52% of them use family and friends compared to 60% of men. Chilimba is also used for credit by 48% of women compared to 30% of men. Informal money transfers are also done predominantly by women, both in rural and urban areas.

Figure 9: Informal use of financial products and services per location



The use of insurance products and transactions are exclusive to the formal sector. While there are equally very low usage levels of insurance in both rural and urban areas, transaction usage through ATMs and POSs is reasonable and understandably higher in urban areas, where most of the financial infrastructure is concentrated. Rural formal savings is led by men while rural credit is led by women.

Figure 10: Formal use of financial products and services per location



Money transfers are largely conducted by formal providers, rather than informal providers, in both rural and urban areas. Informal money transfers are conducted through family and friends, trustworthy people, and bus drivers. Formally, money transfers are conducted in different magnitudes between men and women through mobile phones, post offices and companies like Western Union. While formal and informal transfers are higher in rural areas compared to urban areas, informal transfers are at very low levels of only 13% among the rural participants, compared to 56% of formal transfers. In urban areas, formal transfers are tenfold in relation to those in informal sector.

6.5 Supply of financial services

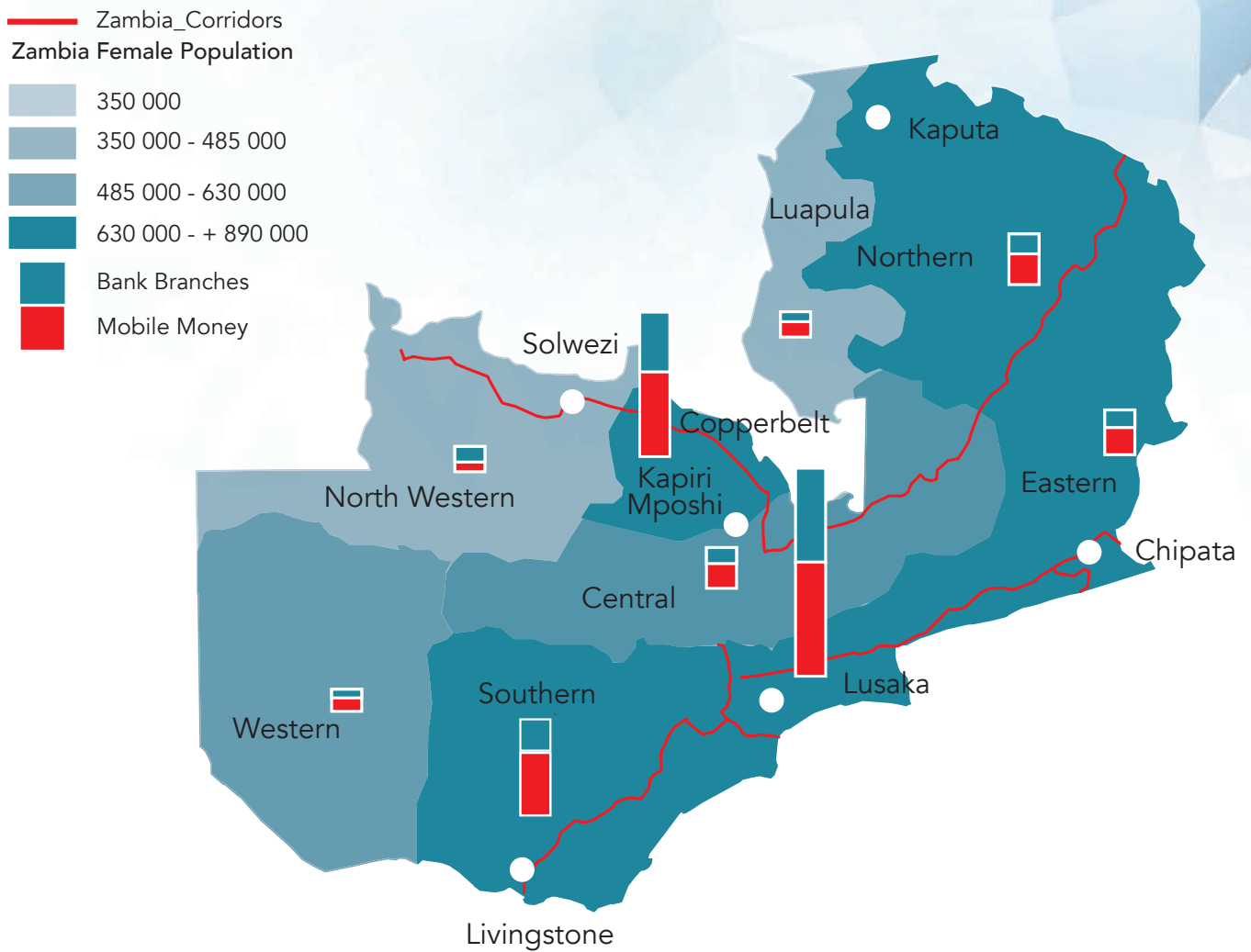
The provision of financial services in Zambia is quite varied, ranging from microfinance products that are suitable for low-income households and small businesses to structured products such as trade finance suitable for medium-sized to large businesses. Figure 11 below illustrates the financial services provided by banks and MFIs per income-generating activity, where the darker the rectangle, the greater the number of financial institutions offering the service. It can be seen that there are more services available to businesses than to farmers and domestic men and women. The provision of overdraft and term loans for businesses and salary-based loans are the services most offered.

Figure 11: Supply of financial products



Despite the variety of available financial services, the study participants mention that most of these services do not cater for the low-income population, because of the associated charges and high interest rates, the complexity of procedures and the limited geographic distribution of these services. A mapping of the banking and mobile banking infrastructure distribution in Zambia in Figure 12 below, justifies to some extent the regional variation of women's usage patterns across the six areas covered in the study - Chipata, Kapiri Mposhi, Kaputa, Livingstone, Lusaka and Solwezi.

Figure 12: Zambian distribution of banking and mobile banking infrastructure



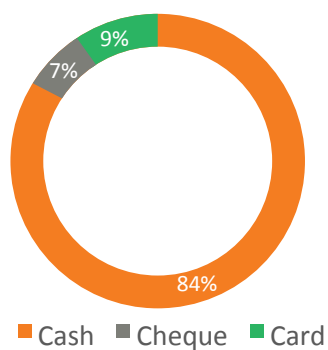
In terms of the female population distribution, it can be seen that there are more women in Kapiri Mposhi, and along the Zambia transport corridors of Lusaka and Kaputa. However, of the two areas most populated by women, only Lusaka and Kapiri Mposhi have the highest banking and mobile banking infrastructure, as shown by the bar charts in the map.

However, the geographic patterns of women’s use of financial services indicate a mismatch of supply in relation to their demand for such services. Women’s highest demand for credit, as seen above, is in Chipata and Livingstone and the highest demand for savings is in Solwezi, where there is very small provision of banking and mobile banking services. Lusaka is the exception.

Kapiri Mposhi is surrounded by areas that are inadequately covered by financial infrastructure. Depending on which part of this area the demand for savings and credit comes from, it might be easier to travel to the areas surrounding Kapiri Mposhi, than to travel within Kapiri Mposhi to access financial services. However, given the inadequacy of financial infrastructure in Kapiri Mposhi’s surrounding areas, women may have to incur high transport costs to reach the nearest financial institution.

Looking at the medium of exchange in which transactions are conducted, as illustrated in Figure 13 below, it was found that 84% of them involve cash compared to 9% using cards (credit and debit cards) and 7% using cheques.

Figure 13: Payment for transactions



The use of cash is higher among men, where 63% only use cash during transactions compared to 59% of women. The use of cash is higher in Kaputa followed by Chipata and Lusaka. Cash is considered to be more convenient and readily acceptable by service providers, in contrast to other means of payment.

Cards are not widely used because the participants say that there are not many places where they can use these items. In addition, women mentioned that they do not send their money to the bank as they don't know when they might need money to pay for goods or pay bills, hence cards are rendered useless as there is no money in the bank. Cheques, on the other hand, are avoided due to the fear of bouncing.

“Cheque is for rich people”

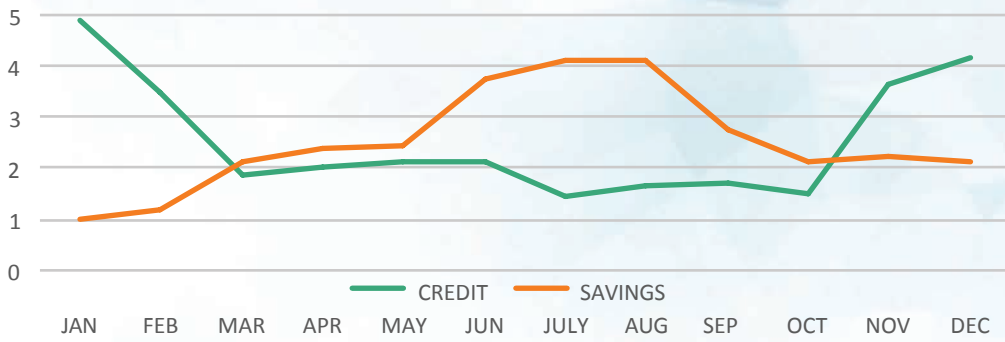
Female Group, Kaputa

6.5.1 Seasonality of demand for credit and savings per income-generating activity

Women's demand for savings and credit is seasonal, as depicted in Figure 14 below. The seasonality of the demand for savings and credit is tied to women's economic activities, coupled with the expected and unexpected events that happen during the year. Overall, women's appetite for saving is almost constant throughout the year, reaching its peak in June, July and August.

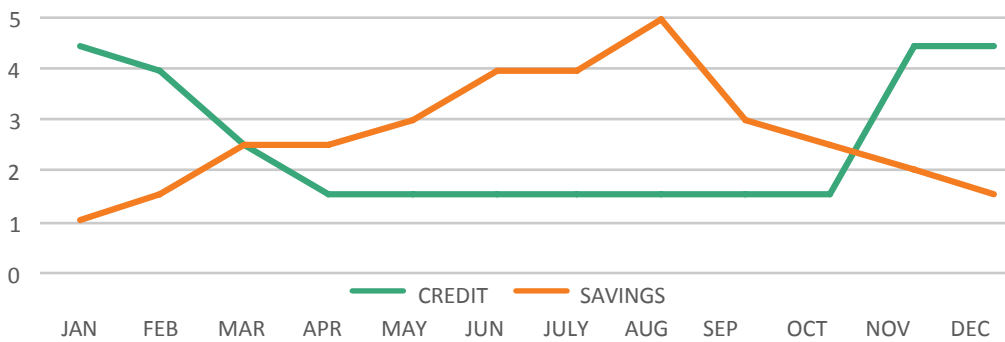
Because women are financially pressured to meet education needs in August and endeavour to do house building in October, they tend to build their savings from January, starting from a very low base. In October when they start building their houses, they tend to combine their savings with credit as an additional source of finance.

Figure 14: Women's seasonality of demand and savings



Figures 15 to 17 below illustrate how demand varies according to economic activities for both men and women.

Figure 15: Seasonality of savings and credit – farming



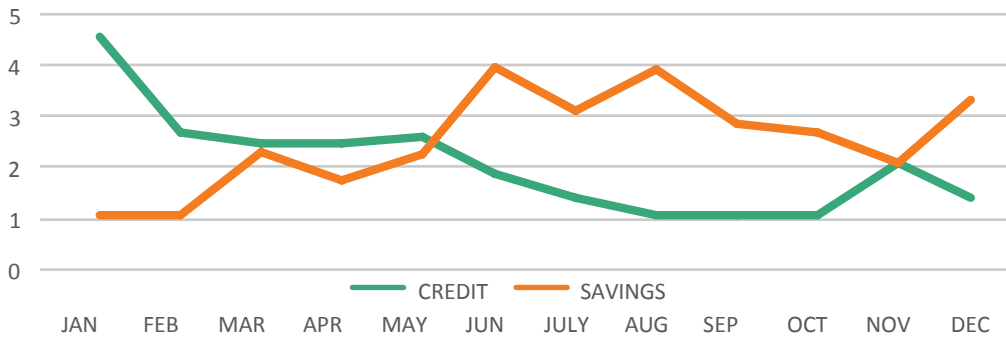
Demand for savings

- Starts in April when families start recovering from the January expenses and cash influx increases. Around this time, business starts to pick up.
- Savings peak in August during harvesting when farmers sell their produce.

Demand for credit

- Peaks in November and stays high until February owing to December rainy season, high cost of products during festive season and payment of fees and for school uniforms;
- In January and February demand for credit is also high to purchase fertilizers in order to start planting in April and May.

Figure 16: Seasonality of savings and credit – business



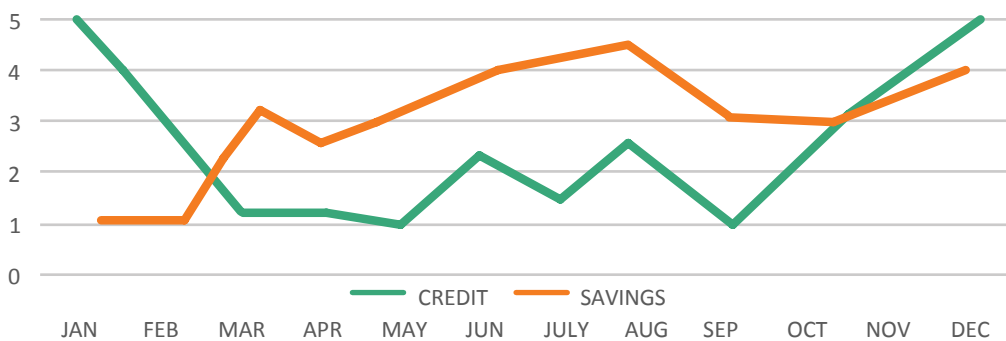
Demand for savings

- Demand for saving increases from the start of the year, peaking in June when people have more income and spend more. Women in second-hand clothing businesses, for instance, have more income during this period.
- Saving is also high in December as business is booming because of festive spending.

Demand for credit

- In January and February demand for credit is high too, as there are expenditures on education and purchase of stock for business.

Figure 17: Domestic and salaried



Demand for saving

- Salaried workers (and domestic people who are dependent on salaried family members) do not have much seasonal variation of income as their income is fixed and fluctuates monthly throughout the year. Hence, savings are demanded throughout the year to cater for specific events such as payment for school children in January and June and for the festive season in December.

Demand for credit

- From December to February demand for credit increases to pay for children’s education and for the festive season. Occasionally it also picks up during October for those who plan to build or improve their houses, before the rainy season.

7 BARRIERS TO WOMEN'S ACCESS TO FINANCIAL SERVICES – DEMAND AND SUPPLY

7.1 Demand-side barriers

Although most demand-side barriers described in Part I of the report - such as low levels of income, low levels of financial literacy and financial access perceptions - are reflected in the barriers identified in the qualitative research, other demand-side barriers such as the ones deriving from legal factors were not verified. The fact that very few women in the research sample were widowed, for instance, disallowed the possibility of verifying whether harmful practices arising from the customary law, such as property-grabbing, negatively affect women's ability to access financial services. The demand-side barriers described below are presented in order of importance as per the views of the study's women participants.

7.1.1 Low levels of income

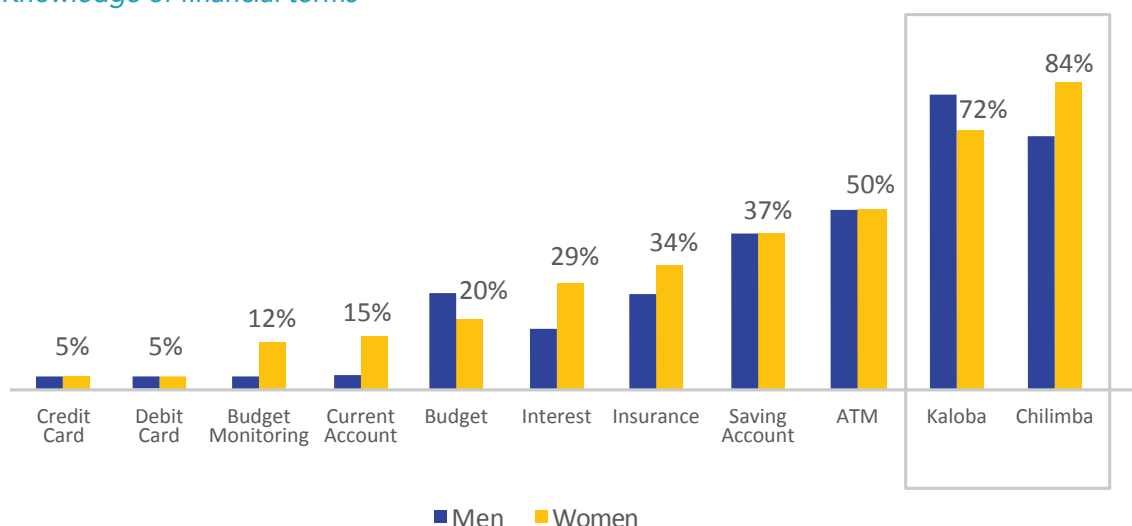
Almost three fifths of men and women state that a low level of income is the main factor inhibiting their access to financial services. This is the second highest factor mentioned by women as an inhibition to accessing financial services.

7.1.2 Financial literacy

The knowledge of financial terms for both men and women is predominantly linked to informal mechanisms namely chilimba and kaloba. This is natural given people's dependence on and usage of informal services. This also illustrates the inability of formal providers to adequately disseminate their products and services among the general population.

Of the formal service terms, ATM is the most known term with more than 50% of the study participants showing knowledge of it. The remaining terms are not significantly known by the participants.

Figure 18: Knowledge of financial terms



Looking at budgeting for the home and business, men do more budgeting than women, particularly in rural areas. Of those that do budgeting, only 5% of men monitor it compared to 12% of women. The levels of knowledge of financial terms and products, as well as the habit of budgeting and monitoring, is highest among salaried and business people and lowest among farmers and domestic people.

“I’m a true Zambian, I just want to see that everything I plan succeeds!”

Male Group, Kapiri Mposhi

7.1.3 Perceptions

Some perceptions regarding financial sector providers and their respective products may, to some degree, promote self-exclusion from the formal financial sector and/or promote misuse of financial products. For instance, most women have the perception that formal financial providers, particularly banks, are for salaried people and for government workers. This perception is predominant among farmers and business women. Although founded on the fact that there is widespread advertisement of consumer loans to salaried workers, women believe that in general financial service providers are only interested in salaried workers.

Additionally, although women recognise that building a relationship with a bank is good for future access to products such as credit, they have a fear of being blacklisted as a result of any failure to repay. Furthermore, only to a small degree do participants perceive that there are some legal barriers inhibiting their access to financial services. This relates to the Bank of Zambia’s regulation that limits formal credit provision to less than 60% of the client’s net salary. More women than men find this to be an inhibiting factor to their access to higher amounts of formal credit, amounting to 17% and 14% respectively.

7.1.4 Religion and culture

Religion also impacts on the household dynamics, particularly on gender roles and decision-making processes. A few women mentioned that the Bible stipulates that the man is the head of the house, so regardless of who the breadwinner is, women should not want to be in this position when married. Consequently, their participation in decision-making processes and willingness to use financial services is dependent on the household head’s decision.

On the other hand, both men and women stated that being African impacted the concept of households because Africans have extended families. This is said to influence their uses of income when expected and unexpected events arise, as the bigger the family the lower the resources available to spend on education and other relevant events. Most importantly, extended families influence their demand for financial services as most often very little is left for saving.

“God has already insured our lives.”

Male Group, Livingstone

7.1.5 Lack of confidence in the banking system

Urban men and women have demonstrated some scepticism about the use of banks after the closure of Meridian Bank. This is mainly the case in Lusaka, Livingstone and Kapiri Mposhi where women stated that they would rather keep money at home than in the bank because of fear of losing their lifetime savings, as happened to some people with the closure of Meridian Bank.

7.2 Supply-side barriers

In addition to the focus groups conducted in the context of this study, a few financial institutions were contacted with the aim of understanding the supply-side barriers that women face in accessing financial services. The 3A barriers - accessibility, affordability and appropriateness - are among the identified supply-side barriers.

7.2.1 Accessibility

The location of formal financial providers constitutes a supply-side barrier to women, more than men, when accessing financial services. Location is the fourth inhibiting factor mentioned by women in terms of access to formal services. This is the case for rural farming, business and domestic women, mainly in Chipata, Kapiri Mposhi and Kaputa. Outreach is said to be a problem because in some areas women need to travel more than two hours to reach the nearest branch, and the cost of transport is becoming increasingly high. Some of these women mentioned that even to just withdraw money is a challenge as the ATMs are far apart in their areas and most often when they reach an ATM, it would have run out of cash.

Financial providers say that they are striving to distribute their services to clients across the country and some are experimenting with mobile platforms. They claim, however, that the rural infrastructure is also inadequate for the use of mobile platforms, as more is invested into communication infrastructure in urban areas than in rural areas. The development of physical branches in more rural locations is limited by the availability of adequate infrastructure (road, buildings and stable power) and critical customer mass in one location, given the sparse nature of the rural population.

7.2.2 Affordability

More women than men stated that banks have restrictive collateral requirements, which make it difficult to access finance to meet their farming, business and personal needs. Collateral requirement is the most mentioned disadvantage of banks among both rural and urban dwellers, mainly by farming, business and domestic women. For those that own property, collateral requirements are still a constraint because most mentioned that they do not own title deeds. Most of the urban participants in Lusaka and Livingstone use home furniture and kitchen appliances to access credit at MFIs and most of the time they receive less money than requested, as the collateral they have provided is not valuable.

Moreover, more women than men consider interest rates at formal financial institutions, particularly banks, to be very high. There is a general understanding among women and men participants that the interest rates they pay at kaloba and MFIs are higher than those of banks, but these are balanced by inflexible collateral requirements, bureaucratic procedures for loan applications and disbursement procedures. However, comparing the interest rate caps from the banking sector (18.25%), MFIs (42%) and other NBFIs (30%)⁶ with the interest paid to informal providers, it is seen that women's willingness to pay for services is higher than the rates charged by the formal sector. This may indicate that women are more sensitive to other factors such as convenience and accessibility of financial services, rather than their affordability.

7.2.3 Appropriateness

Referring to Tables 1 and 2 above, the gaps in formal service provision and/or uptake revolves around the need for education, payment of rent, building a house, and retirement, and for emergency situations as a whole. Although these needs are currently being satisfied by informal mechanisms such as chilimba, kaloba and family and friends, women stated that their needs are only partially satisfied, particularly because informal mechanisms satisfy immediate needs and are only able to provide small amounts of money.



Taking into account the variety of income-generating activities, the lack of sector-specific products makes them averse to using formal financial services to invest in activities such as agriculture or business, taking into account the seasonality of cash inflows and outflows throughout the year. Moreover, emergency needs are satisfied by a mix of informal savings and consumer loans. The use of insurance products is almost nil.

MFIs are said to cater to all levels in the income group as long as they are in business. A few MFIs are currently serving clients who are within the value chain of poultry, tobacco, ranching, and other agriculture products like maize. However, the distribution of MFIs across the country is very limited, and the tendency is for them to be located in the main urban cities.

Some MFIs providing business loans exhibit beneficial product features such as increasing loan amounts by cycle, or different interest rates by cycle. This may justify why women use more MFIs as they tend to be more aligned to the various needs of their target groups than banks and other financial service providers.

7.2.4 *Lack of gender-disaggregated data*

The inability of financial service providers to collect and provide gender-disaggregated data is a factor that inhibits higher levels of inclusion. The gathering of gender-disaggregated data was a challenge as only MFIs could provide data per gender, as seen in Table 3 below. Commercial banks cannot report on gender-disaggregated data, which to a great extent limits their efforts to promote inclusive financial services and monitor the impact of such initiatives.

Table 3: Percentage of female clients of five microfinance service providers

| Name | No. of active clients | Portfolio outstanding (ZMK) | Percent women | Average loan size | Total branches |
|---------------------------------|-----------------------|-----------------------------|---------------|-------------------|----------------|
| Agora Microfinance Zambia Ltd. | 9 608 | 6 789 214 | 51% | 706 62 | 4 |
| Bayport Financial Services Ltd* | 72 272 | - | 31% | - | 32 |
| CETZAM Financial Services PLC | 9 364 | 19 990 456 | 53% | 2 134 82 | 21 |
| EFC | 20 767 | 86 259 193 | 39% | 32 910 79 | 11 |
| MicroLoan Foundation Zambia | 3 592 | 2 737 088 | 100% | 1 185 00 | 5 |

Source: Association of Microfinance Institutions of Zambia (as of December 2013), *Data as of 31 March 2014;
Exchange rate: USD 1.00 equiv. ZMK 5.00

The experience from the MFI sector in Zambia shows that the more a financial institution targets women, the more women clients they tend to have. This may be associated with women’s predisposition to self-exclusion, which is mitigated when they know that a financial institution is striving to serve them, thus increasing their levels of confidence. In general, MFIs are reaching more women than men. However, women are mostly reached through group loans which are small compared to the larger individual loans that seem to be accessed more by men. MFIs point out that these differences are due to women’s low business and entrepreneurial skills and to the fact that women tend to be confined to businesses that tend to remain small, with limited growth prospects, such as the typical market stall/stand type of business.

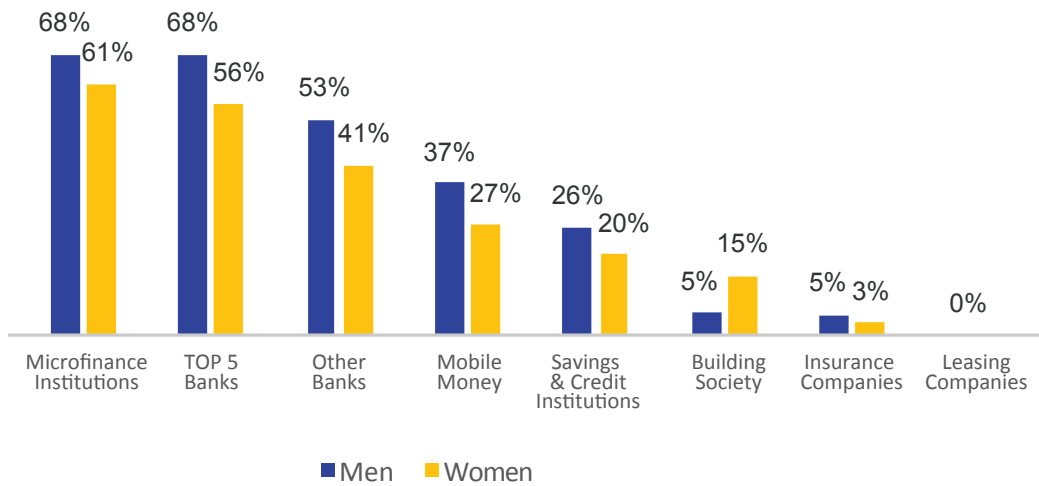
8 OPPORTUNITIES FOR INCREASING WOMEN’S ACCESS TO FINANCIAL SERVICES IN ZAMBIA – DEMAND AND SUPPLY

There is empirical evidence from countries with a high human development index such as Canada, Finland, New Zealand, Norway and Sweden, that economic development is associated with women’s empowerment. In addition, women’s uniqueness in intra-household allocation of resources results in more efficient resource allocations, thanks to their higher propensity to save and to invest time, effort and resources in child development⁷⁷. This shows how positively she can influence the economy as a whole⁷⁸. Despite the barriers to women’s access to financial services in Zambia, which were identified through the literature review in Part I and through the qualitative research, many opportunities within the conventional finance can be exploited to advance women’s financial inclusion in the country, as described in the subsequent subsections.

8.1 Awareness of financial providers – risk and benefits

The participants have significant awareness levels of the different categories of financial providers. Women’s awareness levels are greater for MFIs and banks. The participants also have reasonable levels of awareness of mobile money operators, yet very low levels of awareness of insurance companies and no awareness of leasing companies, as depicted in Figure 19 on the following page.

Figure 19: Levels of awareness of formal financial service providers



Awareness levels are greater among men, though the difference with their female counterparts is not significant. While men have equal levels of awareness of the top five banks and MFIs correspondingly, women are more aware of MFIs than they are of the top five banks. With the exception of other banks and mobile money operators, awareness levels of financial providers are surprisingly higher in rural areas, compared to urban areas.

While banks are well known among salaried and farming people in Kaputa, Kapiri Mposhi and Lusaka, MFIs are well known by domestic, salaried and business participants in Kapiri Mposhi, Chipata and Solwezi. Mobile money operators are most known by salaried and domestic people in Lusaka, Kapiri Mposhi and Kaputa.

Despite good awareness of MFIs among women, the Association of Microfinance Institutions of Zambia highlights that MFIs' loan products are more popular than savings products, which may be a result of the perception of MFIs' in general, and by women clients in particular.

Apart from capitalising on the considerable awareness of financial service providers among women, there is an opportunity to raise awareness about the range of products and services offered by each and every category of financial institutions.

8.2 Expand women-owned businesses' access to finance

The World Bank 2013 Zambia Enterprise Survey found access to finance to be the main obstacle to business development in Zambia – the smaller the business the greater the constraint to access finance⁷⁹. The 2010 Finscope Zambia Business Survey also found access to finance to be a constraint to businesses, especially MSMEs. Fifty-five percent of respondents to the Zambia Business survey in the MSME sector ranked access to finance as the main obstacle to their operations. The problem is particularly acute in rural areas: only 5% of MSMEs in the rural areas have a bank account, compared to 20% of urban MSMEs, while 85% of rural MSMEs are totally financially excluded – without access to any financial services, formal or informal, compared to 59% of urban MSMEs⁸⁰.

According to the World Bank 2013 Zambia Enterprise survey, about 50% of women have an ownership participation in Zambian firms above the SSA average (37%) and the low income countries' average (35%). In addition, 23% of the Zambian firms have female top managers compared to 15% in SSA and 16% in low income countries⁸¹. This may imply that women-headed MSMEs have increased from the 2010 Finscope Business Survey where they headed under a third of MSMEs⁸². It was found that there were relatively fewer MSMEs owned by women in the agricultural sector and more of the urban enterprises are owned by women⁸³.

About 81% of the finance sources for the firms were internal funds, followed by about 7% through other finance for investment, 6.6% coming from bank finance, 4% trade credit finance and 2% equity, sale of stock, etc. Of these firms, only 9% had loans with the banks and about 86% used savings or cheque accounts. This illustrates the financial sector's inability to serve women's businesses, which may be partly attributable to a lack of understanding of their business investment, and a distrust of investors on the part of business owners.

Although the qualitative research cannot corroborate the findings of the business surveys as the methodology of the research is different from the surveys, findings from the qualitative research indicate that women are indeed involved in business development and that due to a multiplicity of barriers they are unable to meet their financial needs from their business activities within the Zambian financial sector. The increased female representation in the business sphere constitutes an opportunity for financial service providers to expand their services to women entrepreneurs.

8.3 Product design

It was noted that the use of formal financial services is primarily tied to the use of consumer loans. Consumer loans are also used in cases where MSME finance, micro-housing finance, insurance products, etc., would be more adequate to the need of the client. Furthermore, the extensive use of informal sources to cater for women's financial needs points to the inability of formal financial institutions to meet the various needs that women experience in the day-to-day life of their households and businesses.

***“When you go to Kaloba,
it is suicidal.”***

Male, Livingstone

More worryingly, despite the revulsion that most of the participants demonstrated towards certain informal mechanisms such as kaloba, the fact that in times of extreme need they prefer to risk their houses and even their physical well-being to meet the immediate financial needs by using them, indicates that they cannot satisfy this need anywhere else. The frequent use of kaloba also indicates that the participants experience emergency situations quite often.

There is a general perception among the formal service providers that the low-income population, which is mostly made up of women, does not present a compelling business case for them. However, the fact that this same social division accrues high costs to access MFIs and informal mechanisms such as kaloba, that charge 50% interest in Livingstone, Kaputa, etc and 100% interest in areas like Lusaka, Chipata and Solwezi, indicate that affordability, although important, is not a defining access criterion. Here, there is an opportunity for formal financial institutions to reflect on their business models, understanding the specificities of the different income-generating activities to design better financial products for a variety of potential clients.

A few general yet valuable hints for product design could be identified in the course of this study, but would need further research. For instance, it was found that women save regularly for pre-determined targets yet they are only able to make small, irregular deposits. In addition, the seasonality analysis above showed during which periods women experience a shortage or excess of income and expenditures, because of the specificity of their line of business and the variation of demand for savings and credit throughout the year. This analysis provides important insights into some of the risks and pressures faced by women and how they use financial services to respond to these pressures, informing financial service providers on women's financial intermediation needs and what financial products can be designed in response.

The agriculture sector, for instance, is a key sector for continued economic development in Zambia as it accounts for 55% to 65% of total employment⁸⁴. However, its contribution to GDP is less than 10%. Less than 20% of arable land is cultivated and most farmers operate on a subsistence basis with low productivity⁸⁵. According to the IMF report, key obstacles to agriculture development include, among others, the lack of transportation and market infrastructure, difficulties in obtaining land titles, and finance. With effective efforts to address these constraints, the sector could be a significant source of export earnings and a major driver of poverty reduction⁸⁶.

Finscope 2009 found, for instance, that farmers are the second most excluded group from the banking sector, with 62% exclusion. Within the banking sector, there is very poor understanding of agricultural markets, limited expertise in agricultural lending in most financial institutions; and poor risk management practices and financial analysis and management skills within the agricultural sector itself. Value-chain agricultural finance, for instance, is difficult to deliver and most financial institutions in Zambia are particularly risk-averse in this area⁸⁷. The agricultural insurance sector is underdeveloped another area that constitutes an opportunity to satisfy women and sector-specific needs.

8.4 Product features

Although formal financial services are generally seen as a better proposition for clients over informal finance in terms of efficiency, sustainability and reliability, ⁸⁸informal financial services are of great importance to Zambian men as well as women. In Zambia 22% of the adult population resorts to informal mechanisms to satisfy their financial service needs. This is the case mainly in rural areas where, according to Finscope 2009, 24% of the adult population uses informal services compared to 19% of the adult population in urban areas. However, women tend to use informal mechanisms in the same magnitude as men, 14% and 14.2% respectively.

The Making Finance Work for Africa report on African women's financial inclusion provides some insights into financial behaviour, suggesting that African women seek 'safe, convenient and confidential ways to save small amounts'.

⁸⁹They are less concerned with interest rates than with security and convenience, and the possibility of regularly saving small amounts. The fact that women’s access is driven by informal providers that are not always safe, reliable and sustainable, shows that if formal providers are able to increase their convenience in terms of opening hours, flexibility of payments, the acceptance of lower and more irregular deposits, etc., inclusion can increase through formal providers.

The advantages and disadvantages of both formal and informal financial providers and products, identified from the qualitative research, provide useful insights regarding women’s appetite for financial products. Table 4 below illustrates features that the participant women most value in the different financial providers.

Table 4: Factors that facilitate women’s access

| Mechanisms used | For all financial mechanisms used | | | | | | | |
|---------------------------|-----------------------------------|----------|------------------|-----------------|-------------|-------------------|----------------|---------------------------|
| | Convenience | Security | Amount of credit | Confidentiality | Easy access | Flexible payments | Small deposits | Costs (interest and fees) |
| Chilimba | ★ | | | | | ★ | ★ | |
| Kaloba | ★ | | | | | ★ | ★ | |
| Family and friends | ★ | | | | ★ | ★ | | ★ |
| Savings at home | ★ | | | | ★ | | ★ | ★ |
| Savings groups (ASCAs) | | ★ | | | ★ | ★ | ★ | |
| Microfinance institutions | | ★ | ★ | ★ | | | | |
| Banks | | ★ | ★ | ★ | | | | |

8.5 Financial literacy

In 2012 the Bank of Zambia launched a National Strategy on Financial Education, which established guidelines on key concepts on financial education for citizens. This strategy empowers Zambians with knowledge, understanding, skills, motivation and confidence to help them to secure positive financial outcomes for themselves and their families. This strategy will help overcome the usage barriers found by the Finscope surveys among women, and Zambians in general. It will help them improve their knowledge and trust in formal financial services and providers, helping them to make better-informed decisions when conducting financial sector transactions.

The aforementioned findings on the demand-side constraints illustrate that there are several opportunities to increase women’s levels of financial literacy. There is still a huge gap between awareness and knowledge of the risks and benefits of informal mechanisms compared to formal mechanisms. Both men and women are well aware of the terms and conditions of informal mechanisms and the implications of not honouring the established contract; while most men and women, omenparticularly women, are not well aware of the important conditions behind the use of formal providers - this despite knowing most terms such as ATMs, savings account, or interest. There is an opportunity to educate women in Zambia about products and services that are available and that provide workable solutions to their needs, highlighting the risks and benefits associated with them. Understanding these will reduce the demand-side barriers that stimulate women’s self-exclusion and will present formal products and services as solutions.

Apart from little knowledge of the risks and benefits associated with the use of formal mechanisms, the study found that there is much unsound financial behaviour among men and women, particularly the latter.

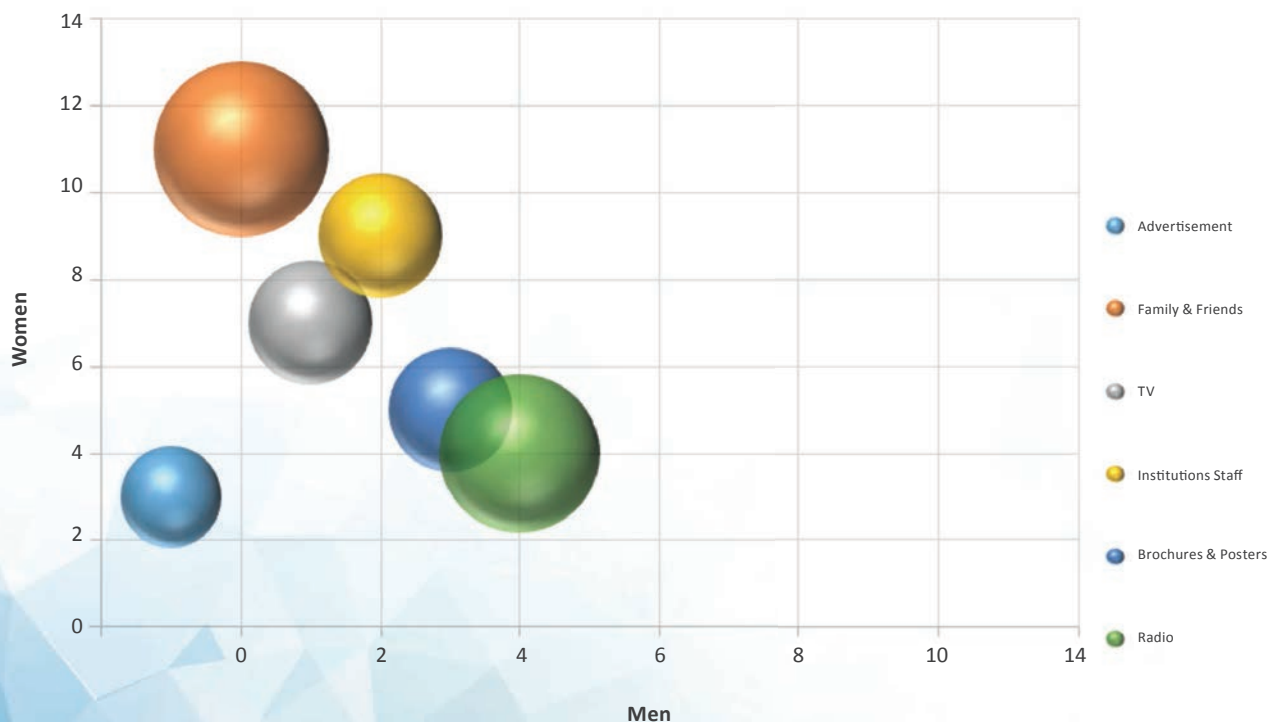
Women rarely do financial planning for the day-to-day lives of their households and businesses. Very few of the participants draw up a budget and monitor it at the household and business levels. If women are taught how to do financial planning and how to live within their means, there is a better chance that they will be prepared to meet their financial needs, particularly in emergency situations. This will prevent them from falling into over-indebtedness, thereby increasingly accentuating their poverty levels. In addition, if women are taught about the risks of unplanned expenditure within their businesses, they will have a higher propensity to develop sustainable enterprises.

The main sources of financial information for the participants as can be observed in Figure 20 below (where the bigger the circle the bigger the influence), present a viable delivery channel for financial literacy campaigns. In general, family and friends, radio, and the staff of financial institutions (through publicity meetings held in local communities) are the main sources of information that the participating men and women found to be relevant and useful. These sources exert considerable influence over their understanding of financial providers and their product knowledge.

***“Some friends are so flexible
and I would prefer getting from
a friend to getting from the bank.”***

Female Group, Lusaka

Figure 20: Sources of information of financial matters



While women make greater use of family and friends, institution staff and TV, men use family and friends and radio the most, as Figure 19 above illustrates. There is an opportunity to make better use of the way women access these sources of information, to further increase their exposure to financial services through increased understanding of how the financial system operates and which available products better meet their financial needs, considering their line of activity.

On the financial service providers' side, many financial institutions mentioned that there are opportunities within the framework of the National Strategy on Financial Inclusion, according to which some of these institutions are rolling out financial education campaigns, initially focusing mainly on children. Currently a small number of institutions, mainly MFIs, provide basic education to their clients on how to keep their records so that they can access larger loans and also to acquire knowledge on personal financial management, which will enable them to achieve a better savings culture.

Although some have mentioned that they would provide financial education under their corporate governance and social responsibility initiatives, many, particularly MFIs, have mentioned that given their institutions' prioritisation of scarce internal financial resources, they are not likely to invest in financial education of their staff or of their clients, because of limited funding. Suppliers have emphasised that there is a need to assess the needs of the market in order to make financial education campaigns work.

8.6 Mobile banking

In Zambia, 70% of the adult population had access to a mobile phone in 2009 compared to just 28% in 2005. Given the challenge of expanding financial services and infrastructure to the rural areas where most Zambian women live, especially to less populated districts where financial institutions do not have an incentive to serve, mobile phone technology could play a part as an alternative channel for distribution and for providing a low cost solution in these areas⁹⁰.

Mobile phone-enabled payments are being piloted by financial and telecommunications institutions. Some banks are already partnering with mobile money operators in the provision of some services, while insurance companies are using the mobile money agent networks to expand their reach throughout the country. Government entities are also engaging institutions in the financial sector to participate in the provision of payment services for the Social Cash Transfer Programme. Much more can be done if financial service providers see mobile money operators as a complementary platform for increased reach of their financial products and services.

Money transfer transactions among the study sample are found to be performed mostly through formal mechanisms, rather than informal mechanisms. However, the fact that women still send money on buses and with trustworthy people indicates that there is still room for increasing the use of mobile transfers. Only women were found to use buses and people they trust to send money to relatives, particularly rural farming women in Kaputa and Chipata. A very small portion of the population in Lusaka sends money on buses.

Besides money transfers, there are a variety of financial services and products that can be accessed through mobile banking, such as payment services, access to insurance and others. Yet, the use of other mobile banking services among the study's participating men and women is almost nil. Mobile banking advertisements in Zambia have focused mainly on promoting money transfers and this is solely what the sector is known for.

The reasonable awareness of mobile banking, even if just associated with money transfers, can be used advantageously to promote increased access to financial services. Users of mobile money transfers have had positive experiences, and men and women almost unanimously find the service to be easy to use, quick, convenient and affordable. These are qualities that women value and indicate their potential willingness to use the platform to access other financial services.

8.7 Improve financial institutions' capacity

Financial institutions recognised that low-income populations also present an opportunity to be exploited. However, they need to better understand the needs of the market if the opportunities that exist in this market are to be exploited in a sustainable manner. They recognise that from a market perspective, the needs of women may not necessarily be the same as those of men. Women have characteristics that differ from men, implying that their financial product needs may also differ.

In addition to understanding the market and the need for training of their loan officers, some institutions have mentioned institutional capacity limitations in terms of accessing capital to increase scale. Segregating Finscope data by gender can provide useful gender information to financial institutions.

8.8 Replication of financial sector partnerships

The Zambian financial sector actors are increasingly realising that partnerships among them are beneficial to their own institutions through increased outreach to previously underserved geographic areas as well as low-income groups. Commercial banks, MFIs and even insurance companies are currently experimenting with the use of mobile, with the intention of increasing their outreach and expanding their services to rural areas where most women and low-income populations live. For instance, banks and insurance companies are using mobile operators to further increase their outreach to areas where they do not yet operate. Big companies like Cargill Zambia and the Food Reserve Agency (FRA) are using the mobile platform to make payments to smallholder farmers.

Despite the new developments in the sector, many banks are still sceptical about embracing the potential of financial sector partnerships to increase outreach. There is an opportunity to replicate these initiatives, which can potentially contribute to meaningful results in the sector's efforts to increase financial inclusion.

8.9 Build on the culture of saving and willingness to save

The survey found that the importance of savings is well embedded in people's financial behaviour. Saving is driven by the need to meet future financial needs such as education and rent. There are specific periods during the year when men and women have to pay for their children's education. However, women in particular recognise that saving at home is quite challenging as they can easily dip into these funds for other things.

"It is difficult to save in homes because it is hand-to-mouth situation."

Female Group, Livingstone

Lower levels of income prevent them from using long-term saving. Savings are targeted at specific life cycle events. During the year, there are months where there are more expenditures than income, particularly for farming women in Chipata, Kaputa and Lusaka.

8.10 Women's good reputation

Many financial providers pointed to the existence of opportunities to serve women as they have good credit repayment records. Suppliers also agreed that women have shown themselves to be more stable than men in employment terms, with fewer disciplinary issues that may impact their relationship with the financial institutions. In sum, suppliers mentioned that they hold a lower credit risk view of working women in Zambia compared to men.

This appreciation of women's good reputation among the financial service providers confirms the findings from several studies that women are more likely to be repeat customers than men, showing their relatively responsible and promising financial behaviour⁹¹.

8.11 Gender audit initiative

The Bank of Zambia partnered with the International Labour Organisation (ILO) to promote the use by financial service providers of the Female and Male Operated Enterprises (FAMOS) check tool, to enhance access to finance by women entrepreneurs. The FAMOS check tool is intended to:

- ensure that activities and services that support the development of MSMEs are gender sensitive;
- support women's access to productive assets such as finance, capital and entrepreneurship;
- help bring about innovations and improvements within the organisations' activities and services, products, process and outreach, procedures, resources and strategies.

As a result of the pilot phase, Indo Bank in 2011 developed a product specifically aimed at women and has since rolled out the product to a number of its branches. If this initiative is replicated by other banks, Zambian women can benefit from more tailored financial products and services.

9 CONCLUSION AND RECOMMENDATIONS

The women's qualitative research study has shown that, in general, women have higher access to financial services than their male counterparts. For financial products including savings, credit and transactions, women exhibit higher levels of usage than men. Only in the cases of money transfers and insurance do men's usage levels surpass that of women.

However, the fact that women's access is primarily driven by informal services illustrates that there is an opportunity to bring more of these women into the formal financial sector, providing them with better security for their money, higher capital access for business development, appropriate insurance products for their farming activities and unexpected emergency needs such as death, funerals and others.

Although it was also seen that women exhibit higher usage levels of formal financial services, women's formal usage is sustained by their recourse to group lending or indirect use of financial services – a fact that differs from men, who tend to have individual loans with higher credit amounts. Thus the fact that men are able to access financial services directly, indicates that women are still in vulnerable positions where they are dependent on others.

On the positive side, the fact that women unite in groups and make use of a spouse or family member's access to a formal financial service provider, indicates their high appetite for financial services and their willingness to use all viable means at their disposal to satisfy these needs.

On the negative side, this shows that women are still unable to access financial services on their own which may be associated with the vulnerability of economic activities such as farming, for instance, compared to the stability surrounding salaried men.

Having said that, this report concludes that women's access to financial services is influenced by different cultural and socio-economic factors that should be taken into account when advancing their financial inclusion. Hence, it is recommended that efforts to increase women's access should be multi-faceted for them to be sustainable.

9.1 Recommendations for FSD Zambia

- a. **Support financial institutions to bridge the gap** between the services currently provided and the needs of women. Financial institutions do not lack money to lend to women. It is the perceived risks, rightly or wrongly associated with this segment that pushes them away. FSD can play an important role in providing non-financial services, such as capacity building support to banks and women customers, which would make them more appealing to financial institutions. These can include support for financial institutions' initiatives on financial education, the provision of market information and assistance in product design.
- b. **Act as the catalyst for financial inclusion innovation in Zambia.** Promote mobile banking pilots with formal and informal women's groups to increase formal inclusion, particularly in rural areas. In addition, FSD can work with community-based organisations to increase the security levels of money transacted in these areas. FSD can also help Zambia's mobile banking operators to move from the current additive model of mobile banking into a transformative model, by increasing women's access to financial services and banks rather than using the platform solely as a convenient way of transacting for the already included population. Mobile banking can be used for more than just money transfers, but also to facilitate women's savings and access to a range of other financial services.

- c. **Promote partnerships among financial service providers and big retailers for better female financial inclusion.** Financial intermediaries such as agents, retailers, or MFIs that are easier for women to access, can be used to increase the presence of formal financial providers such as banks and insurance companies in rural areas of low population density. Mobile money operators and their agent networks can serve as distribution channels. Financial institutions can also build their own agent network with supermarket chains, shops and the like.
- d. **Provide technical assistance to the Bank of Zambia on mobile banking regulation.** Support the Bank of Zambia in drafting its mobile banking regulations in order to increase clarity and transparency among mobile banking operators. This in turn will stimulate increased mobile banking products as well as increased partnerships with mobile operators.
- e. **Support the take-off of the Zambian leasing sector.** Conduct an assessment of the leasing sector and identify measures to capitalise on the existing sector to play a bigger role in the country's inclusion efforts as an alternative source of finance for women.
- f. **Support the creation of a pension fund system** that provides social protection for the non-salaried population, particularly women.
- g. **Support the implementation of financial education campaigns.** Assist the Bank of Zambia in designing tailored financial education to women in the different income generating activities (as described in Figure 20 below). FSD can also support financial institutions in rolling out education campaigns to their clients and the public in general because, although they see financial education as an important step for inclusion, most banks are reluctant to invest in initiatives that will only generate long-term benefits.
- h. **Assist financial institutions that are reaching out to women** to upscale their interventions. FSD can help institutions such as Indo Bank Zambia that have women-focused products and/or significant numbers of women clients in their portfolio, to expand their operations to other areas in Zambia. In addition, FSD can conduct an assessment in the financial sector to identify other financial institutions that have the potential to replicate the Indo Bank initiative and support them in developing such initiatives.
- i. **Support the strengthening of financial infrastructure that improves women's access and usage of financial services.** Help financial institutions to report gender-disaggregated data, enabling policy-makers and financial institutions to monitor and better design their interventions to foster women inclusion. FSD can provide assistance for the development of secured transactions frameworks, increasing women's confidence in the system and support the strengthening of the credit reporting system.
- j. **Encourage financial institutions to adopt gender-sensitive policies and practices** for product design, monitoring, marketing, and delivery channels. Encourage financial institutions to partner with providers of training, mentoring and preparation of business plans as part of credit services for women entrepreneurs.



9.2 Recommendations for Bank of Zambia

- a. Limit licensing of additional financial institutions to those that have a mandate to serve the low-income population, particularly women. The Zambian market is saturated with commercial banks that have benefited medium- to high-income households and businesses with increased options and quality of services. The Bank of Zambia can play a role in promoting the supply of financial services to women by limiting additional licenses to financial service providers that have a clear mandate and strategy to serve the low-income market and women as part of their entire portfolio or a significant percentage of it.
- b. Branchless banking regulation will allow banks to utilise a wide range of retail outlets for transaction handling and product promotion. This will allow them to increasingly use the mobile banking platform and the associated network of outlets as a channel to extend their reach.
- c. Increase the range of assets accepted as collateral by financial institutions, given that most women claimed to not hold assets or title deeds even in cases where they own houses. Formalisation of assets (such as possession of houses with title deeds) is a way to increase their acceptance as collateral by banks.
- d. Create a collateral registry bureau to enable increased confidence in the financial institutions' acceptance of a variety of forms of collateral. This way, women will have a variety of assets that are acceptable by financial institutions.
- e. Set up a deposit guarantee fund where people's deposits are secured in case of bank failures, in response to people's scepticism in going to the banks after Meridian Bank's closure, increasing women's confidence in the system.
- f. Implement financial education in Zambia. Have a step-by-step financial education strategy aimed at different audiences, as illustrated in Figure 21, through channels such as mobile phones. It could include other information channels used by women such as family and friends, radio and TV, as found in the research.

Figure 21: Financial education framework



- **Farmers** – step-by-step money management guide including weather forecasts throughout the year. Updates on financial sector products appropriate to farmers.
- **Households** – step-by-step money management, budgeting and monitoring guide. Households should be updated on the variety of existing and new financial sector products appropriate to them.
- **Salaried** – given the growth in consumer lending found in the research, it would be important to have information on consumer protection for salary-based unsecured lending, to avoid abusive practices on salaried women and men.
- **Businesses** – step-by-step business money management and longer-term structured finance (leasing, factoring, growth capital, etc.) guide for women-led businesses. This would include updates on financial sector products appropriate to these businesses, and financial sector investment opportunities available. Another key area is strategic financial management, i.e. linking strategy, operations and financial performance. Strategic finance helps business women to set up objectives and targets in financial terms, forcing them to link operational performance (what needs to be done) with financial performance (the financial consequences of operations).

9.3 Recommendations for financial institutions

- Financial institutions should be able to staircase products**, where business women can access larger, more sophisticated products as their businesses grow. Through staircase products, clients are guided by financial service providers in a set of steps in which the risk to which the client is exposed is limited to the risk that she can manage.
- Design financial products that respond to women’s business and individual cash flow problems.** Well-designed credit guarantee lines can be used to increase credit to business women while reducing the risk of MFIs and commercial banks in lending to business women.
- Design appropriate financial products that are aligned to women’s needs and economic activities.** This can include the design of low-cost savings products that allow for regular and small deposits and withdrawals and that pay interest on the account balance. It could also include credit products, taking into account the type of economic activities that women engage in (e.g. agricultural credit) and also considering that women have accessibility constraints.
- Improve financial institutions’ risk assessment analysis** in order to align more with women’s specific needs and activities, which will help banks to change their perception of risk and reduce the risk level attributed to potential female clients. This measure will enable banks to have less demanding collateral requirements.

- e. All publicity and advertisements on financial services and products should emphasise that these products and services are suitable for both men and women. Tailor messages for needs that worry women the most. For instance, link savings services to a better way to reduce the pressure of paying school fees or dealing with an unforeseen emergency such as a sick child.

10 CASE STUDY



**MAYABA - 26
BUSINESS WOMAN IN LUSAKA**

Educational Background:

I have completed school, and have finished grade 12. I have also done further courses in art as well as food production.

Occupation:

I run Amanza Fashions – a business making homemade fashion items for the Zambian and tourism market in Lusaka. I sell my goods at various markets around town, such as the Arcades Sunday market. I also use the internet and Facebook to market and sell my products, where I post photos and people can order what they want, or I sell from there. I can also make products on demand so I get orders for products such as bags, shoes, jewellery etc., which I can produce to the size and style of the customer.

Background:

I was born and raised in Kitwe, Zambia, where I lived for many years before coming to Lusaka last year. My family live in both Kitwe and Lusaka and I go back to visit them regularly. I was married last year and am pregnant with my first child, though my husband is abroad at the moment. I have started my own business in order to raise money for myself and my family. It is doing well so far, and is growing. I've received quite a number of orders and more are coming through from the internet and other places. I hope it will continue to grow in the future and soon I hope to have my own permanent shop where I will be selling the things I make. The only problem I face is competition. You find at places such as the Sunday market that there are a lot of people who produce the same products, and if you come up with an idea they start making the same thing if they see it is selling well. My business caters a lot to tourists as well as Zambians, and I think I have a good brand for Amanza Fashions (which means "homemade fashions").

Financial services accessed:

I have a bank account which I use, as well as services such as phone banking and money transfers, including Western Union. Currently I have not accessed any loans or credit services, or insurance.

Challenges accessing financial services:

The main challenge I face is lack of collateral in order to access loans to advance my business. For a young person like myself, starting a business can be a daunting prospect, and banks require a lot of conditions to be met before you can access a loan. The interest rates are also high, and time to pay back can be short so before you access you need to be sure that you will make enough profit to be able to pay back what you have been given. This is difficult. One will require business skills and be able to write a business proposal which is not something that most young people are taught in school; so many young people lack the skills to be able to access such services, as well as the lack of collateral.

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ANNEX 3 - Methodology

The study involved four main phases described below.

Phase I – preparation

The first phase comprised the revision of the literature review on Zambia's access to financial services, with a special focus on women's access. This phase also included the alignment of the research objectives, proposed research tools and work plan with FSD Zambia, Bank of Zambia, GIZ/MFW4A and New Faces New Voices' (NFNV) expectations. The proposed research tools were submitted for the client's approval.

During this phase, women's demand and supply of financial services in Zambia were assessed through secondary data.

Phase II – field work

Second phase comprised training of the research house, the conducting of field work and interviews with stakeholders.

2.1. Training of research house

Training of the research house (IPSOS Ltd) to conduct field work. The training consisted of the contextualisation of the research objectives, how to conduct qualitative research, specific research tools of the

study including the focus group guide and the Microsave participatory rapid appraisal tools. During training, pilots were conducted in a few areas in Lusaka.

2.2. Stakeholders' interviews

Stakeholders' interviews were conducted with financial service providers. These aimed at mapping the current supply of financial services to women, analysing the obstacles that they face in catering for this group and how they could improve their services to women with regard to operations, processes, people, technology and business models.

2.3. Qualitative research

To better understand the regional differences, qualitative research was conducted in Chipata (Eastern Province), Kapiri Mposhi (Central Province), Kaputa (Northern Province), Livingstone (Southern Province), Lusaka (Lusaka Province) and Solwezi (North-Western Province). These included rural and urban areas, with 27 and 33 groups respectively.

The selection of these provinces enabled the assessment of the impact of the regional differences in women's access to financial services and their needs.

The sample distribution per activity is provided in Table 5 below.

Table 5: Sample distribution per area

| | Women | Men | Total |
|---------------|-------|-----|-------|
| Chipata | 6 | 3 | 9 |
| Kapiri Mposhi | 8 | 4 | 12 |
| Kaputa | 5 | 3 | 8 |
| Livingstone | 6 | 3 | 9 |
| Lusaka | 11 | 3 | 14 |
| Solwezi | 5 | 3 | 8 |
| Total | 41 | 19 | 60 |

A total of 60 focus groups were conducted, covering a total of 413 participants. Of these, 41 focus groups comprised women with a total of 277 participants, and there were 19 groups of men totalling 136 participants. Although this is women-focused research, the inclusion of men enabled the analysis to identify which drivers and constraints to access financial services in Zambia are women-specific.

The research comprised focus groups with four categories of income-generating activities, as per 2009 Zambia Finscope survey. These include farmers, self-employed in business, salaried workers from government and the private sector, and those who do not receive income (denominated as 'domestic' in this report). The sample distribution per activity is provided in Table 6 below.

Table 6: Sample distribution per economic activity

| | Women | Men | Total |
|---------------|-------|-----|-------|
| Farmers | 7 | 4 | 11 |
| Self-employed | 11 | 10 | 21 |
| Salaried | 11 | 5 | 16 |
| Domestic | 12 | 0 | 12 |
| Total | 41 | 19 | 60 |

The focus groups were used to understand the areas of need, current coping mechanisms (formal and informal); their advantages and disadvantages; and opportunities for improving women's access to finance. A minimum of eight focus groups were conducted in each area.

The main topics covered by the research were:

- Understanding how household dynamics, including power relations, roles and responsibilities and decision-making between men and women influence:
 - the types of income generating activities they engage in;
 - their challenges in operating and growing their businesses with regards to the time and money they spend on the business;
 - how decisions about finances and financial services are made within the household.
- Exploring women's uptake and satisfaction levels with current financial products and services (delivery mechanisms, staff interaction, etc.);
- Exploring women's levels of financial literacy.

The focus groups were conducted using a discussion guide and the participatory rapid appraisal (PRA) tools together, with most emphasis on the discussion guide. Under the PRA, the following tools were used:

Table 7: Focus groups research tools

| Qualitative research tools | Tool objective |
|---|---|
| <i>Urban and rural women and men with and without access to financial services</i> | |
| Life cycle analysis | <ul style="list-style-type: none"> • This tool seeks to identify the phases of a typical individual's life-cycle and the key milestones in it; to determine which of the events require lump sums of cash; to examine their implications for household income/expenditure; to establish current coping mechanisms; and finally to discuss how access to financial services can help the household respond to these factors. • The information gathered can be useful in designing financial products that match the various needs expressed at different milestones during a person's life-cycle. |
| Seasonality of income analysis | <ul style="list-style-type: none"> • This tool is ideal for obtaining information on seasonal flows of income and expenditure, and the demand for credit and savings services, allowing for discussion of key issues relating to these four factors. • This exercise provides important insights into some of the risks and pressures faced by households and how they use financial services to respond to these. This exercise also provides insights into the financial intermediation needs of the community and what financial products can be designed in response. |
| Household generation analysis | <ul style="list-style-type: none"> • This tool is useful in determining which sources of income are generated, received and spent by men, by women and by both, and why. This can help to understand intra-household dynamics in the context of income flows and begin to assess risk profiles associated with lending to specific income-generating activities and/or households. • This tool also helps understand the decision-making process within the household and how this impacts gender usage of financial services. |
| Focus group discussion guide | <ul style="list-style-type: none"> • This tool will enable a deeper understanding of gender financial needs • This tool is comprehensive in order to serve as a mechanism to further explore information gaps from the other research tool. |

Phase III – data compilation and analysis

The third phase comprised data compilation and analysis. The latter helped to

- define opportunities to make financial services and products more adequate to women;
- define opportunities that would make women more attractive to financial service providers;
- and define initiatives from government, donors and financial institutions that can bridge the gap between Zambian women's financial needs and current financial service provision.

Phase IV – final report

In this phase, the final report was written.

FOOTNOTES

1. Chilimba is an informal rotating savings group composed of two or more people. p6
2. Kaloba is an informal money-lender. p6
3. DFID (2013) "Promoting Women's Financial Inclusion – A Toolkit". p9
4. Until 2009, Finscope consumer had been conducted in Botswana, Kenya, Malawi, Mozambique, Namibia, Rwanda, South Africa, Tanzania, Uganda and Zambia. p9
5. Finscope Zambia 2009. p10
6. Bank of Zambia, 2014. p10
7. Finscope Zambia, 2009. p10
8. Chilimba are traditional accumulating savings and loan groups found in Zambia. Group members deposit small amounts of money each week, and then periodically use the cumulated savings as small loans to individual group members. p10
9. Finscope Zambia 2009. p10
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